

EXAMINING SECTOR DISTINCTIONS BY ANALYZING THE RELATIONSHIPS
BETWEEN ADMINISTRATIVE CONSTRAINTS AND WORK RELATED ATTITUDES
AND ABSENTEEISM: A COMPARISON OF PUBLIC AND NONPROFIT MANAGERS

by

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(Under the Direction of Hal G. Rainey)

ABSTRACT

The study of sector distinctions has a long history in the field of organization theory (Rainey, 2009). However, few studies exist comparing and exploring distinctions between the public and nonprofit sectors (Chen, 2011; Feeney & Rainey, 2010). This study contributes to the area of research which explores distinctions between the public and nonprofit sectors by building upon previous research by Feeney and Rainey (2010). Feeney and Rainey (2010) find evidence that public managers perceive higher levels of red tape and inflexibility of personnel rules within their organizations relative to nonprofit managers. Building upon the study conducted by Feeney and Rainey (2010), this dissertation explores the question “What difference do the differences make?” in relation to perceived incentives to work hard, job satisfaction, and absenteeism for public and nonprofit managers. This study utilizes the National Administrative Studies Project (NASP-III) data that are comprised of responses from public and nonprofit managers in Georgia and Illinois. The author employs probit regression, linear probability models, and ordinary least squares regression to explore the relationship between administrative constraint variables—red tape and inflexibility of personnel rules—with the three outcomes of interest—incentives to work

hard, job satisfaction, and absenteeism. Overall, the study provides evidence of some sector differences between public and nonprofit respondents in which sector serves as a mediator between administrative constraints and two outcome variables—perceived incentives to work hard and job satisfaction. However, no support is provided for sector distinction between public and nonprofit respondents in models observing absenteeism. Additionally, examining the results holistically, the study does not find support of sector serving as a moderator between administrative constraint variables and the outcomes of interest; although, evidence of sector as a moderator is supported for the association between inflexibility of personnel rules and job satisfaction.

INDEX WORDS: public sector distinction, nonprofit sector distinction, red tape, personnel rules

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A Dissertation Submitted to the Graduate Faculty of The University of Georgia in Partial

Fulfillment of the Requirements for the Degree

DOCTOR OF PHILOSOPHY

ATHENS, GEORGIA

2015

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DEDICATION

This dissertation is dedicated to my family, especially my husband, daughter, parents, and in-laws whose love, support, and encouragement are blessings I receive in measure far beyond which I deserve. I love you all!

ACKNOWLEDGEMENTS

First and foremost, I would like to thank Jesus Christ for the blessing of this experience and the strength to continue to endure through prayer and faith.

I would like to thank my husband, Jared, for his love, support, advice, and patience. Without you, this would not have been possible. I would also like to thank my daughter, Jocce, for her unconditional love, great naps, and challenging me to be a better person every day. To the rest of my family, thank you for your words of encouragement, prayers, support, and childcare.

I would also like to extend my gratitude to faculty members who have served on my committee and who have provided guidance through this process—Dr. David Bradford, Dr. Barry Bozeman, Dr. Edward Kellough, Dr. Hal Rainey, Dr. Jeffrey Wenger, and Dr. Vicky Wilkins. A special thank you to Dr. Hal Rainey, who has chaired my committee and provided valuable guidance through this process. Additionally, thank you to the departmental staff for their support and advice in helping this project reach completion.

Lastly, thank you to my co-hort members and other students for providing a challenging and rewarding educational experience.

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CHAPTER 1

IMPORTANCE OF RESEARCH

INTRODUCTION

Have you ever heard someone say, “I could do that with my hands tied behind my back.” or, “There is nothing more I can do. My hands are tied.” ? Whether perceived as a welcomed challenge or frustrating constraint, the figurative language of “hands being tied” illustrates a difficult situation potentially keeping someone from doing something. These and similar phrases are commonplace in conversations today and may even be used to describe one’s place of work. In organizations, rules, burdensome and otherwise, provide boundaries for managers and employees which figuratively “ties their hands.” Tied up. Bound. Constricted. These words produce negative images in the minds of many.

Although these questions seem straight forward, and some may argue they are, without considering the sector of the organization for which these questions are asked, conclusions drawn from answers to these questions might be short sighted (Bozeman, 1987). Numerous studies exist examining the differences between sectors (e.g., Bozeman & Bretschneider, 1994; Chen, 2011; Feeney & Rainey, 2010; Rainey, Backoff, & Levine, 1976; Rainey & Bozeman, 2000). For example, a study of public and nonprofit managers reveals that public managers perceive higher levels of red tape and inflexibility of personnel rules in their public organizations relative to nonprofit managers’ perception of red tape and inflexibility of personnel rules in their nonprofit organization (Feeney & Rainey, 2010). However, less is known about how managers

in public and nonprofit organizations compare relative to their responses to the existence of red tape and constraining personnel rules in their respective organizations.

The purpose of this dissertation is to further our understanding of public and nonprofit sector distinctions by exploring the differences and similarities of public and nonprofit managers in relation to their responses to organizational rules. In the following pages, I observe how “tying the hands” of public and nonprofit managers relates to their perceptions of incentives to work hard, job satisfaction, and absenteeism.

ADMINISTRATIVE CONSTRAINTS AND SECTOR DISTINCTION

Administrative constraints such as red tape and personnel rules that limit the discretion of managers have long been considered by academics, politicians, and bureaucrats as organizational characteristic worthy of attention. However, administrative constraints are not deserving of attention for their own sake, but rather for their sources, intentions, and intended and unintended effects on workers, organizations, and client or constituents. For instance, scholars are concerned with answering questions such as “What are the sources of administrative constraints?” and “What implications do administrative constraints hold for organizations and managers?”

Depending on the viewpoint, administrative constraints can be seen as good as well as bad. While prominent scholars in the field of organizational studies argue that rules and administrative law are some of the characteristics making bureaucratic organizations more effective and efficient than other types of organizations (Weber, 1946), rules can also be associated with negative outcomes (Bozeman, 1993; 2000). The notion of positive and negative aspects resulting from a bureaucratic structure is similarly reflected in a popular adage about red tape. The adage states that “One man’s red tape is another’s treasured procedural safeguard”

(Kaufman, 1977). Implied in this statement is the notion that both negative and beneficial aspects of red tape exist (Kaufman, 1977). Although, Bozeman (1993; 2000) argues that Kaufman's statement does not use the term "red tape" appropriately. In the case where rules serve as procedural safeguards and objectives are met, then the rules are not red tape but rather formalization (Bozeman, 1993; 2000). However, looking past categories and distinctions of rules for the moment, the adage heralds the sentiment that rules can be seen as good as well as bad.

The negative nature of rules has driven action in research and in practice. In academic research, scholars examine the implications of red tape upon various outcomes including organizational performance (e.g., Brewer & Selden, 2000), worker alienation (e.g., DeHart-Davis & Pandey, 2005), and public service motivation (e.g., Scott & Pandey, 2005). In these studies, the association between red tape and these various outcomes is negative (Brewer & Selden, 2000; DeHart-Davis & Pandey, 2005; Scott & Pandey, 2005), further touting the potential of rules to be associated with negativity. Actions taken by practitioners and politicians to the negative nature of rules and red tape have led to the creation and implementation of reforms that aim at "cutting red tape." These types of administrative reforms include but are not limited to the Civil Service Reform Act of 1978 (Feeney & Rainey, 2010) and reforms resulting from the National Performance Review by Vice President Al Gore (Gore, 1993).

Reforming red tape and rules is one area in which the idea of sector distinction becomes relevant in the discussion of administrative constraints. In the 1970's, changes occurred in the public sector which spurred from ideas of new institutional economics and business-like managerialism ideas from the international scientific management movement. Labeled New Public Management (NPM), this reform movement contains several precepts and is loosely

defined. However, among the precepts of this movement included the “stress on private sector styles of management practice” which included actions such as giving more flexibility to those making decisions on hiring and rewarding employees (Hood, 1991). The justification for executing these reforms on personnel policies was the “[n]eed to use ‘proven’ private sector management tools in the public sector” (Hood, 1991, p. 5). Hood (1991) claims adopting these reforms somewhat erases the clear lines of distinction between the public and private sector which are established through personnel rules based on principles of honesty and neutrality (e.g. retraining the power of line managers, enduring tenure, and certain salaries). Blurring the lines between sectors, as NPM movements possess the potential to do (Hood, 1991), is used as an arguing point by some who claim that public organizations are not a distinct categorization (Rainey, 2009).

In organizational theory, the generic tradition also embraces a similar line of thinking avoiding the use of sector categorical distinctions. The generic management perspective is grounded in the thought that similarities between organizations should be focused upon to develop knowledge that can be utilized in all organizations. Proponents of the generic management perspective claim sector distinctions are oversimplifications that can be confusing and misleading and can hinder intellectual advancements of theory development and research (Rainey, 2009).

A prominent scholar in the field of social science, Herbert Simon (1995), makes claims which align with the generic tradition. He states that the subject that possibly surpasses all others in popularity, even components of public organizations that are unique, is the ability of a manager’s ability to reward employees. On this subject, Simon (1995) claims that organizations in all sectors—public, private, and nonprofit—are basically the same. However, others scholars

claim that sector distinction does matter (Rainey, 2009). For instance, as Allison (1983) quotes the “law” of Wallace Sayre, “public and private management are fundamentally alike in all unimportant respects” (p. 16). The quest to gain a better understanding of sector distinction, or the lack thereof, has fueled and continues to fuel a great deal of research. This dissertation will contribute to this line of research by analyzing questions regarding public and nonprofit sector distinctions.

SECTOR DISTINCTION

Commonly, studies addressing the relationship between sector distinction and administrative constraints compare organizations in the public and the private for-profit sectors (Feeney & Rainey, 2010). Recently, however, Feeney and Rainey (2010) conducted an analysis comparing perceptions of public and nonprofit managers regarding levels of perceived red tape and inflexibility of personnel rules. Feeney and Rainey (2010) find evidence of stark differences between the perceived constraints in public and nonprofit organizations. Their study reveals evidence that public managers relative to nonprofit managers perceive higher levels of organizational red tape and personnel rules inflexibility in their organizations. This dissertation builds upon the findings of the Feeney and Rainey (2010) to address the effects of the observed sector differences and further contribute to the body of knowledge comparing public and nonprofit organizations.

Over the past half a century or so, scholars have theorized about sector distinctions (e.g., Bozeman, 1987; Dahl & Lindblom, 1953; Wamsley & Zald, 1973), and numerous studies exist comparing work attitudes of public and private managers (Chen, 2011; see Rainey, 2009 for overview). Textbooks on public management (e.g. Rainey, 2009) recognize academic discussions relating to public-private distinctions and sector distinctions dating back to the mid-

twentieth century (e.g. Dahl and Lindblom, 1953; Lindblom, 1977). From these contributions, thoughts on sector distinction continued to develop (e.g. Bozeman, 1987; Wamsley & Zald, 1973). Despite the variety of approaches to sector categorization, the primary question of interest has been the following: “Does the public status of organizations significantly affect their behavior?” (Bozeman, 1987, p. 1).

Even though a rich presence of sector comparison studies exists in the literature, public and nonprofit sector comparisons are rare (Chen, 2011; Feeney & Rainey, 2010). The lack of public and nonprofit comparisons combined with the recent growth of the nonprofit sector (Feeney & Rainey, 2010), the grouping of public and nonprofit management in theory and in practice (Chen, 2011), and mixed results from recent comparative studies of the public and nonprofit sectors (Chen, 2011) leave the door open for continuing important research comparing public and nonprofit managers.

Drawing on similarities between public and nonprofit organizations, some management textbooks group public and nonprofit management together addressing topics such as organizational performance management (ex. Berman, 2006) and human resources strategic management (ex. Pynes, 2009) (Chen, 2011). In practice, public service jobs can be found both in the public sector as well as the private sector with many of the more challenging public service jobs falling outside of the public sector (Light, 1999). Similarly, nonprofit and public organizations define themselves by their mission or service (Pynes, 2009). However, while public and nonprofit organizations have commonalities, differences also exist (Chen, 2011; Feeney & Rainey, 2010). For instance, results of a survey of college seniors indicates that seniors identify work in “public service” with that of the nonprofit sector and not necessarily with government (Light, 1999). Further, scholars have noted institutional and structural

differences between public and nonprofit organizations (Chen, 2011; Feeney & Rainey, 2010). Even though differences between public and nonprofit organizations are identified, management in the two sectors is grouped together in some human resource literature (Chen, 2011).

There are not many studies comparing public and nonprofit organizations in the academic literature (Chen, 2011). And, even of the studies that exist, the evidence presented is inconsistent (Chen, 2011) and many lack rigorous testing methods that provide a more precise picture of causal inference. For instance, Mirvis and Hackett (1983) conducted a study comparing public, private, and nonprofit organizations on a variety of aspects and Goulet and Frank (2002) compared workers in the three sectors in terms of organizational commitment. Although both the Mirvis and Hackett (1983) and Goulet and Frank (2002) studies provided evidence of differences between the three sectors, the lack of rigorous methods may leave readers searching for additional evidence to explain the findings.

Conducting a more rigorous analysis, a study by Feeney and Rainey (2010) provides evidence of institutional differences between public and nonprofit organizations and further prompts for additional research comparing work related attitudes between public and nonprofit managers. The authors find evidence that public managers perceive higher levels of red tape and lower levels of flexibility of personnel procedures in their organizations compared with their nonprofit counterparts (Feeney & Rainey, 2010). Evidence of such institutional differences leads one to question whether there are important implications that may result from these differences.

Chen (2011) steps into this line of questioning by observing the relationships of perceived red tape and constraining personnel rules with positive work attitudes. He finds evidence that public managers relative to nonprofit managers are less likely to exhibit positive work related attitudes. Further, the study shows evidence that the difference of red tape and

constraining personnel rules between the two sectors mediates the relationship between sector distinction (public v. nonprofit) and positive work related attitudes (Chen, 2011). Although Chen's (2011) study provides insight into sector specific characteristics and work related attitudes, his approach only tells part of the story

Building upon a foundation established by previous studies (ex. Chen, 2011; Feeney & Rainey, 2010), this dissertation observes whether public and nonprofit sector distinction matters in the relationship between perceived red tape and constraining personnel rules with perception of incentives to work hard, job satisfaction, and absenteeism of managers using the National Administrative Studies Project III (NASP III) data. The NASP III data provides evidence of a difference in means for the variables of interest for public and nonprofit managers (see Table 1). In the following pages, I will conduct an analysis to determine whether sector distinction matters in how personnel rules and red tape relate to public and nonprofit manager's perception of presence of incentives to work hard, job satisfaction and absenteeism.

| Table 1-1: Full Sample T-Test Comparing Job Satisfaction, Incentives, and Absenteeism Responses of Public and Nonprofit Managers | | | | | |
|---|---------------|----------|-------------|-----------|------------|
| | Sector | n | Mean | SD | P |
| Incentives to Work Hard | Public | 786 | 0.32 | 0.47 | 0.0000 *** |
| | Nonprofit | 420 | 0.71 | 0.46 | |
| Incentives | Public | 785 | 0.85 | 0.36 | 0.0000 *** |
| | Nonprofit | 420 | 0.95 | 0.23 | |
| Absenteeism | Public | 788 | 20.38 | 0.58 | 0.0049 *** |
| | Nonprofit | 429 | 17.99 | 0.44 | |
| *Significant at the 0.10 level; **Significant at the 0.05 level; ***Significant at the 0.01 level | | | | | |

CONTRIBUTIONS

This dissertation provides several intellectual contributions to the field as well as evidence that may be applied in practitioner situations. For instance, this dissertation provides additional information concerning the implications of perceived personnel rules and red tape. Since Baldwin's (1990) article which drew attention to the lack of studies addressing the implications of administrative constraints of red tape and the inflexibility personnel procedures, several studies have been conducted addressing this area of study (e.g., Brewer & Selden, 2000; Dehart-Davis & Pandey, 2005); however, the implications of such constraints are not as widely studied as sources of red tape and inflexibility of personnel procedures (e.g., Bozeman, 1993, 2000; Feeney & Rainey, 2010; Pandey & Scott, 2002). This dissertation will contribute to our understanding of whether perceived personnel rules and red tape are factors relating to perception of the presence of incentives to work incentives, job satisfaction, and absenteeism of public and nonprofit managers.

Further, addressing the implications that public and nonprofit managers experience from rule constraints sheds light on whether resources and time spent on reform efforts to "untie" the hands of managers are wisely utilized. Practitioners and politicians create and implement reforms that aim at "cutting red tape." These types of administrative reforms include but are not limited to the Civil Service Reform Act of 1978 (Feeney & Rainey, 2010) and reforms resulting from the National Performance Review by Vice President Al Gore (Gore, 1993). Evidence provided in this dissertation will provide insight as to whether perceived presence of incentives to work hard, job satisfaction, and absenteeism are issues to be addressed by instituting "red tape cutting" reforms.

Additionally, the analysis conducted provides a comparison of managers in the public and nonprofit sectors. While a majority of studies comparing sectors focus on public and private sectors, comparisons of public and nonprofit sector organizations and employees are lacking (Chen, 2011; Feeney & Rainey, 2010). Therefore, this dissertation will increase our understanding about the differences and similarities between public and nonprofit organizations.

DISSERTATION OUTLINE

In the following chapters, I begin by reviewing literature on sector distinction (Chapter 2) providing an overview of approaches and cases for and against the use of sector distinctions. Next, I discuss organizational rules (Chapter 3), specifically organizational red tape and personnel rules which are the main independent variables of interest in this dissertation. Having described the main independent variables, I turn my attention toward the motivation and absenteeism literature (Chapter 4) developing hypothesis about the relationship between organizational red tape and the inflexibility of personnel rules with manager's perceptions of incentives to work hard, job satisfaction, and absenteeism. Additional hypotheses about sector differences between public and nonprofit managers are developed in Chapter 5. A review of the data is presented in Chapter 6. The empirical analyses are presented in Chapter 7 (incentives to work hard), Chapter 8 (job satisfaction), and Chapter 9 (absenteeism). In Chapter 10, the dissertation concludes with a brief summary of the results and a discussion of conclusions drawn from the analyses. Additionally, the final chapter includes a discussion of the contributions and implications of this research as well as provides suggestions for future research.

CHAPTER 2

LITERATURE REVIEW OF SECTOR DISTINCTIONS

INTRODUCTION

From the formable years of studying sector differences to the present, scholars continue to question whether sector distinctions are meaningful and/or whether distinctions exist at all. On one hand, some scholars claim that either sector distinctions do not exist or if they do exist, they are unnecessary (Murray, 1975; Rainey, 2009). Arguments supporting these claims state that when unnecessary distinctions are used, oversimplifications and misleading conclusions can result (Rainey, 2009). On the other hand, some scholars claim distinctions do exist. Further, not only do they exist, they are important for practitioners and theoretical developments in the field of organizational theory (Perry & Rainey, 1988; Rainey, Backoff, & Levine, 1976).

In this chapter, cases supporting and not supporting a public-nonprofit sector distinction are presented. Although offering insight into commonalities and differences between the public and nonprofit sectors, these comparisons are not the only approach to sector distinction. Several well-known approaches to sector distinction are reviewed in this chapter. Each unique approach offers interesting, value-added perspectives on the sector distinction discussion existing in public administration literature. Reflecting on the theories reviewed, a discussion is presented making the case for why sector distinctions are meaningful and motivation theory is discussed as an avenue for moving forward in public-nonprofit sector comparison research.

PUBLIC AND NONPROFIT SECTOR COMPARISONS

As is reflective of the sector distinction discussion, arguments can be made for a meaningful distinction between public and nonprofit sectors; however, as in the generic management tradition as discussed in Chapter One, a case can also be made for the absence of a meaningful distinction (Rainey, 2009). For instance, public and nonprofit organizations are alike in that they attract individuals that are mission-oriented (Chen, 2011). On a similar note, nonprofit organizations and public organizations both offer service-based positions and are mission-based, rather than profit-based, organizations (Feeney & Rainey, 2010).

However, there are also differences between public and nonprofit organizations to consider. For example, public and nonprofit organizations differ in the level of bureaucratization (Chen, 2011; Feeney & Rainey, 2010). In a study of nonprofit and public managers, public managers were found to perceive more red tape and less flexibility in personnel rules (rules rewarding good performance with higher pay, removing poor performer, and promoting employees based on performance) relative to nonprofit managers (Feeney & Rainey, 2010). This difference is attributed to the theoretical approach that nonprofit organizations are similar to private organizations in American society because nonprofit and private organizations face less government constraints relative to public organizations (Feeney & Rainey, 2010).

Even the argument of bureaucratization as a difference between public and nonprofit organizations does not stand without a caveat. In recent years, the government has increased reliance on service nonprofit organizations for the delivery of services. In these arrangements between government and nonprofit organizations, government organizations provide financial support to the nonprofit organizations. Government organizations have, in time, increased the use of administrative oversight, established new regulations, and altered contract requirements as

these arrangements between government and nonprofit organizations have increased (Lipsky & Smith, 1989). Lipsky and Smith (1989) claim that exposure to the additional government oversight and regulations change nonprofit service organization norms to more closely resemble norms found in government service organizations.

These comparisons are reflective of the state of the sector distinction discussion in organization theory; arguments for the generic management tradition as well as sector distinction exist (Rainey, 2009). These points of comparison are not an exhaustive list of approaches to compare public and nonprofit organizations. Public and nonprofit organizations can also be categorized through approaches identifying and describing an organization's ownership/political authority and funding/economic authority (e.g. Wamsley & Zald, 1973; Rainey et al, 1976; Bozeman, 1987).

APPROACHES TO SECTOR DISTINCTION

From a legal perspective, areas of public and private realm distinctions can be traced back to the sixteenth and seventeenth centuries. Two streams of modern political and legal thought gave rise to the recognition of the distinction of public and private realms—the emergence of the nation-state giving rise to the public realm and reactions in response to limit the power of the state creating a private realm (Horwitz, 1982).

In addition to the public and private sectors, a third sector also exists in a strong democratic state—the nonprofit sector (Hopkins, 2013). The nonprofit sector, also known as the independent sector, voluntary sector, or third sector, has a long standing presence in American society, and the nonprofit sector in the United States is the most highly developed nonprofit sector when compared to other countries (Hopkins, 2013). In the United States, law establishes the criteria for organizations to qualify as nonprofit organizations (Salamon & Anheier, 1997).

Under the law, “[...] a distinct sphere of private organizations serving public purposes and not organized principally to earn a profit” (Salamon & Anheier, 1997, p. 15).

In organizational studies, several scholars (e.g. Dahl & Lindblom, 1953; Bozeman, 1987; Rainey et al., 1976; Wamsley & Zald, 1973) have contributed to literature dedicated to sector categorization of organizations and sector distinction (Rainey, 2009). Numerous authors (e.g. Bozeman, 1987; Rainey, 2009) have traced the roots of the sector distinction literature to Dahl and Lindblom (1953). Following Dahl and Lindblom (1953), additional contributions from Wamsley and Zald (1973), Rainey, Backoff, and Levine (1976), and Bozeman (1987) redefined and further developed the discussions about sector distinction (Rainey, 2009). Being conscious of space and time, four prominent approaches to sector distinction are described in this section—“agencies” and “enterprises” (Dahl & Lindblom, 1953); a binary approach (Rainey et al., 1976); dichotomous dimensions (Wamsley & Zald, 1973), and publicness (Bozeman, 1987).

Although only four contributions are discussed here, it should be noted that these are not the only approaches defining sectors. Rainey, Backoff, and Levine (1976) identify four approaches for defining sectors: by assuming distinctions between sectors to be common knowledge, by identifying and the use of rules of thumb, by observing the basic functions of organizations which are assigned to specific sectors, and by an analytic approach which identifies categories of organizations based upon observable factors. Although all approaches have merit, the approaches discussed here primarily fall into the latter category described above. For instance, the approaches of sector distinction (e.g. Dahl & Lindblom, 1953; Wamsley & Zald, 1973) and publicness (Bozeman, 1987) embrace how organizations differ based on dimensions of characteristics such as source of control (Dahl & Lindblom, 1953), ownership (Bozeman, 1987; Bozeman & Moulton, 2008; Rainey et al., 1976; Wamsley & Zald, 1973),

funding (Wamsley & Zald, 1973), and political and economic authority (Bozeman, 1987).

Approaches utilizing the previous characteristics are described below.

“Agencies” and “Enterprises”. Dahl and Linblom (1953) identify two types of organizations—“agencies” and “enterprises.” The differentiating characteristic between the two is the source of control. “Agencies” are defined as centrally controlled, and “enterprises” are controlled by the price system (Dahl & Lindblom, 1953). Although Dahl and Lindblom’s (1953) treat the two as mutually exclusive for the purposes of their discussion, they recognize that this strict assumption could be harmful because many organizations are a mixture of both central control and price system control (ie. Tennessee Valley Authority).

Binary Approach. The binary approach is defined by Bozeman (1987) as identifying two separate categories such as public sector and private sector. For example, the work of Rainey, Backoff, and Levine (1976) describes public and private organizations categorized based solely on ownership; The third sector—the nonprofit sector—could be absorbed into the classification of the private sector because organizations in the nonprofit sector are private organizations (Salamon & Anheier, 1997).

Dichotomous Dimensions. Utilizing concepts discussed by Dahl and Lindblom (1953), Wamsley and Zald (1973) develop a dichotomous dimensions approach to categorize organizations. The purpose of this approach is to address one of the issues that Wamsley and Zald (1973) thought must be addressed in making a case for public administration—that the distinction between public and private administration must be useful and meaningful. In this categorization, the major factors contributing to sector distinction are ownership and how economic resources are obtained by an organization—a political economy approach (Wamsley &

Zald, 1973). They further provide a taxonomy characterizing organizations as in either one of the four categories as depicted in the following table:

| | | Ownership | |
|---|---|--|--|
| | | Public | Private |
| Public Funding (taxation, government Contracts) | A | Defense Department Arsenals Judicial System Social Security | B Aerospace firms Rand Corporation Oak Ridge National Laboratories Space Technology Laboratories |
| | D | Post Office Publicly owned Utility Comsat (?) | C Food Stores YMCA Community Councils |

Figure 2-1: Public/Private Dichotomy

Source: Wamsley & Zald (1973) p. 10

Although the authors recognize that this categorization is an oversimplification of reality, they feel the approach helps to clarify characteristic distinctions of organizations. For the study of public administration, the theory will mainly focus on organizations that are both publicly owned and publicly funded (quadrant A). However, the authors recognize this one category should not be the limit of public administration theory (Wamsley & Zald, 1973). Wamsley and Zald (1973) argue that to truly understand how the state functions, a student should also be concerned with organizations that possess one characteristic described as public and the other described as private (quadrants B and D). Further, they propose that the future of public administration theory should embrace both aspects of political science as well as aspects of organizational behavior theories and studies (Wamsley & Zald, 1973). Even though expressed as a concern in the early 1970's, Perry and Rainey echo the same sentiments in 1988. Therefore, the study of sector distinction continued to be plagued by the same issues even over a decade later, and all the while, research on sector distinction continued.

Publicness. Bozeman (1987) offers an alternative theory to address the blurring of the sectors. The usefulness of the public-private distinction as described by Dahl and Lindblom (1953) and Wamsley and Zald (1973) is only useful to a certain extent. Bozeman (1987) challenges Wamsley and Zald's (1973) dichotomous view of organizations with a more dimensional approach (Rainey, 2009). Bozeman (1987) expresses disappointment with the traditional approach in the literature treating public organizations to be synonymous with government organizations. He claims that this approach in research does not adequately take into account the reality and existence of intermediate or hybrid organizations (Bozeman, 1987).

Bozeman's (1987) overall claim is highlighted in the title of his book which describes his theory of publicness—"All Organizations Are Public." Therefore, in addressing what he refers to as the "publicness puzzle," he develops an approach that does not draw distinct delineations between a purely public organization and a purely private organization. He argues that, on some level, "all organizations are public" (Bozeman, 1987).

Similar to Wamsley and Zald (1973), Bozeman (1987) uses two dimensions to characterize organizations. However, Wamsley and Zald's (1973) theoretical concept is dichotomous in nature while Bozeman's (1987) approach is dimensional (Rainey, 2009). Political authority is one of two dimensions characterizing the publicness of an organization in Bozeman's (1987) theory. He also assumes that organizations are subjected to economic authority. The first dimension, political authority, is characterized as the roots of an organization's publicness. Political authority can arise from three sources: 1. The individual citizen; 2. The elected and nonelected public officials; and 3. Nongovernmental organizations and/or private citizens. The sources 2 and 3 previously listed act on behalf of source 1. This authority can be expressed in a variety of ways including regulations. The second dimension,

economic authority, is characterized as the privateness roots. This dimension is described in terms of property-rights theory by characterizing public organizations as lacking the right to sell shares of their ownership while private organizations do possess that right (Bozeman, 1987). Bozeman (1987) assumes that these two forces of authority are most appropriately observed as dimensional aspects. Thus, organizations can be said to possess dimensions of publicness while not being categorized as wholly public or private. The publicness of an organization is thus determined by the mix of the two previously described characteristics—political authority and economic authority (Bozeman, 1987).

SECTOR DISTINCTION AS MEANINGFUL CONTRIBUTIONS

As discussed in Chapter One, the generic management tradition claims that sector distinctions are an oversimplification that can lead to confusion and impediments for theory development and research (Rainey, 2009). However, as demonstrated in the previous sections, not all scholars and practitioners adhere to the generic management tradition. As generic management traditionalist claim that intellectual dangers can present themselves when sector distinctions are recognized (Rainey, 2009), claims are also made that neglecting sector distinctions poses intellectual dangers (Bozeman, 1987).

Claiming sector distinction is meaningful holds important scholarly implications for the study of organizational theory and aids in addressing a variety of questions (Perry & Rainey, 1988). For example, if a management technique used in the private sector is applied in a public organization as in New Public Management (Hood, 1991), are similar outcomes observed in the public organization as are seen in private organizations? How are employees in the sectors different from one another? How should responsibilities and functions be dispersed between the public, private, and nonprofit sectors (Bozeman, 1987)?

Also, studying sector distinctions and understanding organizations more thoroughly provides valuable knowledge for organizational reform so organizations may have more certain futures (Lindblom, 1977). To move forward without developing a distinct study of public organization theory embracing the distinctiveness public organizations could create an environment where inaccurate inferences are made. Recognizing the distinctiveness of public organizations can minimize the chance of error resulting from assuming or neglecting that organizational publicness possesses explanatory power (Bozeman, 1987). Further, utilizing the framework may bring about greater understanding of the distinction which in turn improves the prescriptions offered from research (Rainey et al., 1976). Therefore, recognizing sector distinction can bring valuable contributions to the field of public administration and organizational theory.

Based on these arguments, it is appropriate to utilize and test the assumption that sector distinctions exist between public and nonprofit organizations. By observing sector distinctions between public and nonprofit organizations, this dissertation contributes more evidence and understanding to whether sector distinctions matter.

PUBLIC-NONPROFIT DIFFERENCES

As previously mentioned, studying sector distinctions is not a new movement in the field of public administration or organizational theory (Rainey, 2009). Many studies on the differences between the public and private sectors exist in the literature (ex., Flynn & Tannenbaum, 1993; Moon, 2000; Steinhaus & Perry, 1996). And, although not completely absent from the literature, fewer studies focus attention on studying differences between the public and nonprofit sectors (Feeney & Rainey, 2010; Chen, 2011). Chen (2011) claims that a

review of the literature addressing public-nonprofit differences in work attitudes reveals inconsistent findings among studies.

Among studies exploring sector differences are studies comparing all three sectors—public, private, and nonprofit employees (Goulet & Frank, 2002; Mirvis, 1992; Mirvis & Hackett, 1983). These studies compare attitudes of employees in the public, private, and nonprofit sectors by focusing on sector differences in quality of employment (Mirvis, 1992; Mirvis & Hackett, 1983) and organizational commitment (Goulet & Frank, 2002). Evidence suggests employees in the nonprofit sector are more satisfied with their jobs (Mirvis, 1992; Mirvis & Hackett, 1983) and perceive more challenge, variety, and intrinsic rewards in their jobs compared to their counterparts in the public and private sectors (Mirvis & Hackett, 1983). However, when asking which sector's workers are more committed, the evidence is inconsistent—no difference in organizational commitment between sectors (Mirvis, 1992) and nonprofit employees are more committed than public employees but less than private employees (Goulet & Frank, 2002).

Similarly interested in differences in work attitudes between public and nonprofit employees, Chen (2011) conducts an analysis examining the difference between public and nonprofit managers' positive work attitudes. Chen (2011) finds that public managers are less likely than nonprofit managers to report positive job attitudes including job satisfaction.

MOVING AHEAD

With few studies comparing the public and nonprofit sectors, there is still a lot that we do not know about the similarities and differences between the two sectors. However, in addition to the categorization approaches (e.g. Dahl & Lindblom, 1953; Wamsley & Zald, 1973; Rainey et al, 1976; Bozeman, 1987) and previous literature comparing public and nonprofit employees,

existing research comparing public and private sectors can offer an additional jumping off point to theorize about public and nonprofit sector differences. For instance, public employees are believed to be less materialist and to possess a stronger desire for public service relative to private employees (Boyne, 2002); and similarly, nonprofit employees are observed to be intrinsically motivated (Benz, 2005). Therefore, it is tempting to draw the conclusion that public and nonprofit employees are motivated in similar ways.

Further, understanding sector distinction is only part of the puzzle in understanding public and nonprofit differences related to perceived presence of incentives to work hard, job satisfaction, and absenteeism. To gain a better understanding about how public and nonprofit managers may differ in terms of these work attitudes and behaviors, literature regarding motivation theory must also be reviewed. The next chapter begins the discussion of motivation by discussing factors that contribute to work motivation, specifically organizational rules such as red tape and personnel rules.

CHAPTER 3

ORGANIZATIONAL RULES

INTRODUCTION

Understanding and exploring elements of an organization that contribute to worker motivation is important because workers are a vital component contributing to the performance and quality of work life of an organization (Rainey, 2009). However, there are at least three challenges that researchers face at the onset of researching work motivation: (1) The concept “work motivation” is difficult to define (Rainey, 2009).; (2) There is not a consensus on a single definition of “work motivation” (Wright, 2001).; and (3) There is not a consensus on one theory for motivation (Rainey, 2009; Wright, 2001).

In a study reviewing motivation literature and developing a public sector-specific approach to work motivation, Wright (2001) adopts a broad definition for work motivation that receives consensus from some in the literature to overcome the challenges of defining “work motivation” and expands upon this definition to address shortcomings encountered in application for empirical research. Wright’s (2001) approach incorporates a two-pronged complexity of work motivation research—the theorized process that occurs and the reality of what can be measured. The broad definition that garners some consensus used by Wright (2001) comes from M.R. Jones (1955, vii) in which work motivation is defined as “how behavior gets started, is energized, is sustained, is directed, is stopped, and what kind of subjective reaction is present in the organism while all this is going on.” Noting that this definition highlights determinants and processes of work motivation that are challenging to measure, Wright (2001) also states that this

challenge is overcome by drawing from a larger theory of work motivation to make inferences about the relationships between antecedents and supposed behaviors. Similarly, such inferences are made in this dissertation to explore differences between public and nonprofit managers in regards to antecedents to work motivation and behaviors related to work motivation.

Reviewing the literature on worker motivation, Wright (2001) suggests a public sector-specific model of work motivation which includes five categories of antecedent variables—employee motives, sector employment choice, work context, job characteristics, and job satisfaction. Figure 3-1 below provides a graphical representation of a public sector specific model of work motivation provided in Wright (2001).

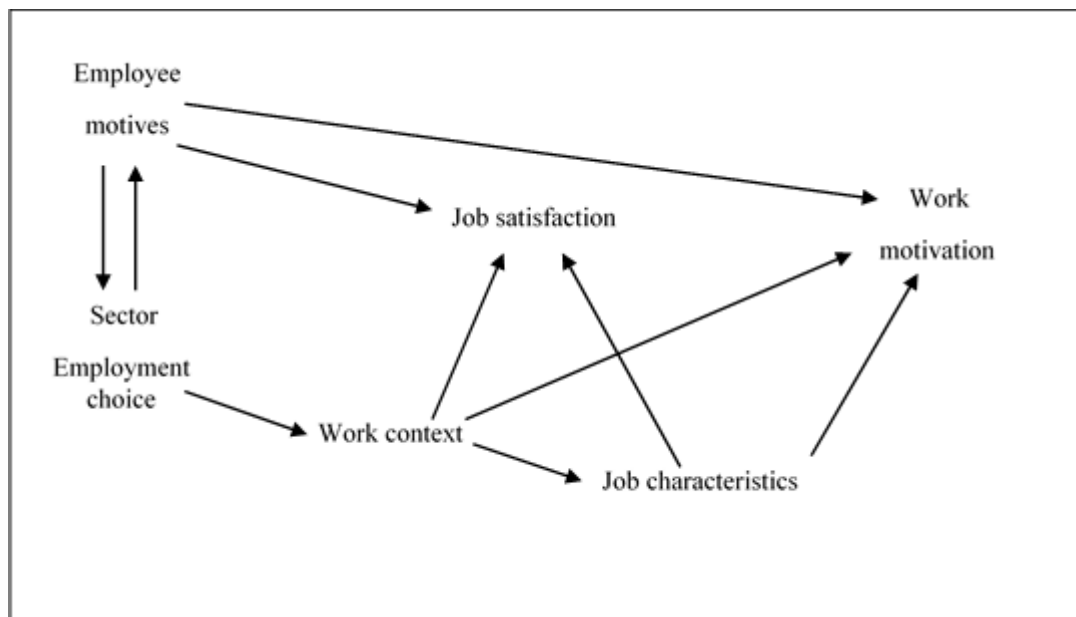


Figure 3-1: Public Sector Specific Model of Work Motivation

Source: Wright (2001, p. 562)

Of specific interest here are the categories of work context and employment choice. “Work context” refers to organizational environment characteristics such as formalization (Wright, 2001). Formalization is rules established in an organization that are not burdensome but may

provide accountability (Bozeman, 2000). However, rules of formalization may lead to the evolution of rules into “red tape” in the case when established rules become burdensome and negatively affect an organization’s effectiveness (Bozeman, 1993, 2000; Pandey & Scott, 2002). “Sector employment choice” refers to whether the worker is employed in the public or private sector (Wright, 2001). In this dissertation, Wright’s (2001) concept of “sector employment choice” is expanded to include the third sector—the nonprofit sector.

In this chapter, I further describe two aspects of organizational structure that may be considered part of “work context” (Wright, 2001) and possess a relationship with work motivation—“red tape” and “personnel rules.”

ORGANIZATIONAL STRUCTURE

Organizational structure is referred to by management researchers as “[...] the configuration of the hierarchical levels and specialized units and positions within an organization and to the formal rules governing these arrangements” (Rainey, 2009, p. 204). According to Hall (1991), the principle functions of organizational structure are similar for each organization: (1) to promote organizational effectiveness; (2) to reduce or at a minimum control individual variations influencing an organization; and (3) to provide a setting to exert power, make decisions, and perform organizational activities (Hall, 1991). Although the functions of organizational structure may be similar for each organization, these functions establish reasons why structure varies within and across organizations. Along with the potential of varying between or within organizations, organizational structure is also described as organic in nature. Some definitions of organizational structure highlight the organic nature of organizational structure noting that actions in an organization can influence change in organizational structure and vice versa (Hall, 1991). Therefore, organizational structure can influence the operations of

an organization, and an organization can influence the composition of an organization's structure (Hall, 1991).

The term "organizational structure" is used to encompass a broad scope of organizational dimensions including specialization, centralization, and hierarchy, to name a few (Rainey, 2009). As such, Wright (2001) considers elements of organizational structure as being a part of an organization's work context, characteristic of an organization's environment associated with work motivation. One organizational feature receiving attention in the work motivation literature is organizational rules (Baldwin, 1987; Baldwin, 1990; Wright, 2001; Wright, 2004; Wright & Davis, 2003). Concepts used to evaluate organizational rules include procedural constraints (Baldwin, 1990; Wright, 2001; Wright, 2004; Wright & Davis, 2003), formalization (Bozeman, 2000; Rainey, 2009), red tape (DeHart-Davis & Pandey, 2005; Feeney & Rainey, 2010; Rainey, 2009), and inflexibility of personnel rules or personnel red tape (DeHart-Davis & Pandey, 2005; Feeney & Rainey, 2010). Concepts of organizational rules can be measured objectively and subjectively (Rainey, 2009).

Wright (2001) claims that the organizational rules are an organizational feature useful for evaluating public-sector specific work motivation frameworks because research provides evidence of public and private sector differences on organizational rules variables. Wright's (2001) claim reflects his assumptions of a public sector-specific work motivation model mentioned in the previous section.

Wright (2001) develops a theoretical framework describing the theoretical framework of existing studies of motivation in the public sector context. Wright's (2001) model for public sector-specific work motivation can be further refined by applying his line of thinking in the context with public and nonprofit sector comparisons, thus delineating differences in motivation

for the public and the nonprofit sectors. One component of Wright's (2001) public sector-specific motivation model that is primed with a public and nonprofit sector comparison is "organizational rules" as an element of "organizational structure" or in Wright's (2001) terms, "work context." In study a of state-level public and nonprofit managers, Feeney and Rainey (2010) find that public managers perceive higher levels of red tape and inflexibility of personnel rules in their organizations relative to nonprofit managers, thus presenting evidence of public and nonprofit organizational structures differing in terms of concepts of organizational rules.

Feeney and Rainey's (2010) study prime the landscape for refining Wright's (2001) public sector-specific motivation model which can be explained by relating Feeney and Rainey's (2010) findings to the two assumptions underlying Wright's (2001) model. The first assumption is that sector specific work environments exist (Wright, 2001). Evidence supporting this assumption is found in a study conducted by Feeney and Rainey (2010). Feeney and Rainey's (2010) study provides evidence that public and nonprofit managers perceive different levels of red tape and inflexibility of personnel rules, thus a sector-specific work environment. Therefore, Feeney and Rainey (2010) have primed the landscape for refining first assumption identified by Wright (2001); the study also provides a stepping stone to test the second assumption. The second assumption is that the differences between sector work environments make a difference in work motivation (Wright, 2001). The second assumption will ultimately be tested in this dissertation examining the relationship between organizational rules variables (red tape and inflexibility of personnel rules) and other variables related to work motivation. Through testing the second assumption identified by Wright (2001) about whether sector differences make a difference relative to work motivation, the public sector-specific work motivation model

described by Wright (2001) will be refined to delineate not only the public sector from the private sector, but the public sector from the nonprofit sector as well.

To test the second assumption identified by Wright (2001) using Feeney and Rainey's (2010) organizational rules concepts, it is pertinent to understand more about these specific concepts and know how they relate to work motivation. In the following sections, I provide descriptions of two organizational rules variables—"red tape" and "inflexibility of personnel rules."

ORGANIZATIONAL RULES

Organizational rules are a dimension of an organization's structure (Rainey, 2009). However, the concept of *organizational rules* is not straight forward. The origin, impact, focus, and object of rules are a few characteristics that influence how *organizational rules* are treated in the literature (Bozeman, 1993; 2000). For instance, rules and administrative laws can address many aspects of an organization's business, such as personnel issues (Rainey, 2009), and can serve a variety of purposes in an organization like promoting efficiency and effectiveness (Weber, 1946).

Max Weber (1946), a work often recognized as a cornerstone of many studies of bureaucracy (Bozeman, 2000), identifies organizational rules as an organizational trait promoting favorable outcomes in an organization. According to Weber, rules and administrative law are a basic trait of a bureaucracy (Rainey, 2009). As a defining characteristic of bureaucratic organizational structure, Weber (1946) argued organizations possessing rules and administrative law, along with a few other characteristics, are established in legal-rational authority, thus making the bureaucratic form of organization superior to others grounded in traditional or charismatic authority (Weber as cited in Rainey, 2009). In the Weberian model, characteristics

such as rules and administrative law make bureaucracies more efficient, effective, and able to protect the rights of clients relative to organizations grounded in traditional or charismatic authority (Weber as cited in Rainey, 2009).

Although Weber's (1946) viewpoint paints rules in a positive light, they are not always viewed that way (Bozeman, 2000). Organizational rules and regulations are examined from many different perspectives using several conceptualizations of organizational rules. Which variant of organizational rules examined or discussed depends upon the perspective and conceptualization of the rules at point. One specific conceptualization of organizational rules is "red tape," which possesses specific characteristics differing rules as "red tape" from other types of rules (Bozeman, 2000).

Red Tape. Red tape is a specific category of rules and procedures differentiated from others, such as formalization (Bozeman, 2000). Rules as red tape are uniquely perceived as burdensome in nature (Bozeman, 2000). Not all organizational rules are recognized as being burdensome, and the different conceptualization of organizational rules in the literature recognize this differentiation (Bozeman, 2000). For instance, rules as "formalization" and rules as "red tape" are two conceptualizations of organizational rules in the literature, each capturing the essence of organizational rules from a different perspective. "Formalization" is used by researchers to examine "[...] the extent to which an organization's structures and procedures are formally established in written rules and regulations" (Rainey, 2009, p. 209). "Red tape," however, refers to "[...] burdensome administrative rules and requirements" (Rainey, 2009, p. 209). Although both involve some observation of organizational rules, the two concepts are uniquely different from one another. So, while all rules may not be perceived as burdensome, the conceptualization of rules as "red tape" provides the opportunity for scholars and

practitioners to gain a greater understanding of how rules that are burdensome and negatively affect an organization's effectiveness, rather than providing effective accountability, may influence other important concepts believed to be linked to organizational performance, such as employee attitudes and behaviors (Bozeman, 2000).

Before looking into and developing expectations about the relationships between red tape and employee attitudes and behaviors, it is important to further understand more about red tape as a distinct category of organizational rules. Just as the concept of "organizational rules" can refer to several different concepts, "red tape" taps into, yet captures, several variations of perceived burdensome rules in organizations. For instance, red tape is recognized as originating from two main conceptions—rule-based concepts and bureaucratic pathology (Bozeman, 1993; 2000).

Rule-based conceptions of red tape place the origin of burdensome rules in formal rules, regulations, and procedures (Bozeman, 1993; 2000). However, even this more restrictive definition speaking to the physiology of rules, a subjective characteristic is utilized to differentiate between red tape and other types of formal rules. But, who decides the threshold between burdensome rules and non-burdensome rules? For this reason, the conceptualization of red tape also considers the pathology of red tape (Bozeman, 1993; 2000). Kaufman (1977) states that "One man's red tape is another's treasured procedural safeguard." This conjecture and a similar conjecture by Waldo (1946) sufficiently sum up how pathology influences the conceptualization of red tape; one man may perceive a rule as burdensome while another sees the same rule as a necessity for effectiveness (as cited in Bozeman, 1993). At the end of the day, Bozeman (1993; 2000) argues for the importance of considering both the physiology and the

pathology of rules in differentiating between formalization and red tape. This study utilizes the pathology conception of red tape and capitalizes on the subjective nature of red tape.

Under the purview of red tape as a pathology, governments are theorized to have more red tape relative to private organizations because “[...] it has voluminous rules designed to protect citizens from the illegitimate uses of the legitimate powers of the government” (Bozeman, 1993, p. 293) and policy missions that require inter-organizational cooperation guided by safeguards (Bozeman, 1993). Although popular thought links red tape to the public sector, red tape is not sector specific (Merton, 1940). Red tape is, nonetheless, associated with large organizational bureaucracies with strict hierarchies of authority and rules for procedures regardless of sector (Merton, 1940). Thus, against common use of the word, bureaucracies and their bureaucratic pathologies are not purely found in the public sector. Bureaucratic pathologies, such as red tape, can be found in the public, private and nonprofit sectors (Merton, 1940); however, the evidence suggests that the amount of perceived red tape varies by sector (Feeney & Rainey, 2010). In this dissertation, the perceptions of red tape for both public and nonprofit managers are examined. Feeney and Rainey (2010) provide evidence that perceptions of red tape differ for public and nonprofit managers, and this dissertation builds upon that finding to answer “What difference do the differences make?”.

Personnel Rules. In addition to observing the unique category of organizational rules as “red tape,” organizational rules can be evaluated from the perspective of their ability to constrain decision makers and categorized by their focus on a specific aspect of an organization’s business. Rules and administrative laws can address many aspects of an organization’s business, such as personnel procedures (Rainey, 2009). Personnel rules provide guidelines and procedures for employees relative to personnel administration decisions. For instance, these types of rules place

restraints on a manager's flexibility in being able to make decisions regarding employees including pay, promotion, and performance rewards (Rainey, 1983).

Studies of personnel rules generally focus on how constraining the rules are on a manager's discretion. In other words, how flexible or inflexible are the personnel rules? Personnel rules with greater inflexibility are more constraining on a manager's discretion relative to less inflexible personnel rules (Rainey, 1983; Feeney & Rainey, 2010). Although measuring the inflexibility of personnel rules in comparable manner, "inflexibility of personnel rules" also appears in the literature under labels such as "personnel red tape" (DeHart-Davis & Pandey, 2005; Feeney & Rainey, 2010).

In many personnel rules studies, three general aspects of a manager's discretion relative to personnel decisions are examined to measure the inflexibility of personnel rules in an organization—rules for firing poor performers, promoting good performers, and rewarding good performers with higher pay (e.g. Feeney & Rainey, 2010). Observing these three facets, managers experience greater personnel rule inflexibility as rewarding good employees and firing poor employees becomes more difficult and as the linkage between rewards and performance weakens (Feeney & Rainey, 2010).

As with red tape, the inflexibility of personnel rules is found to vary by sector when examining responses from managers in the public and nonprofit sectors (Feeney & Rainey, 2010). Similarly echoing previous statements referencing red tape, the perceptions of inflexibility of personnel rules for both public and nonprofit managers are examined in this dissertation. Feeney and Rainey (2010) provide evidence that perceptions of the inflexibility of personnel rules differ for public and nonprofit managers, and this dissertation builds upon that finding to answer "What difference do the differences make?".

CONCLUSION

Commonly, studies addressing the relationship between sector distinction and administrative constraints compare organizations in the public and the private for-profit sectors (Feeney and Rainey, 2010). However, as mentioned above, Feeney and Rainey (2010) conducted an analysis which compared levels of perceived red tape and degree of constraints placed on managers by personnel rules in public and private nonprofit organizations. Feeney and Rainey (2010) find evidence of stark differences between the perceived constraints in public and nonprofit organizations. Their study reveals evidence that public managers relative to nonprofit managers perceive higher levels of organizational red tape and personnel rules that are more constraining to managers. This dissertation builds upon the findings of the Feeney and Rainey (2010) to address the effects of the observed sector differences and further contribute to the body of knowledge comparing public and nonprofit organizations.

So, why focus on perceived red tape and the inflexibility of personnel procedures as an antecedent to worker attitudes and behavior? In the case of red tape, Bozeman (2000) provides several reasons for why it is important to study red tape, and these reasons are also applicable to this study: red tape is an element that can be changed by organizations and the effects of red tape are far reaching touching the manager, workers, clients, and others (Bozeman, 2000). Additionally, subcategories of administrative procedures, red tape and personnel rules, are elements of the organizational context viewed by scholars such as Wright (2001) to influence worker motivation in the public sector.

However, knowing what influences the motivation of individual is only part of the equation in understanding worker motivation. To make reforms successful and to understand more about managers in the public and nonprofit sectors, we are also concerned with why and

how certain factors influence motivation. To explore the central question in this dissertation, in the next chapter I turn my attention to developing hypotheses drawing upon motivation theory and the absenteeism literature.

CHAPTER 4

WORK MOTIVATION AND ABSENTEEISM

INTRODUCTION

Do sector differences make a difference for work motivation and similar concepts? The public sector-specific work motivation model described by Wright (2001) is based upon the assumption that, yes, public and private sector difference make a difference for work motivation. The hypotheses developed in this chapter will develop a road map for testing that assumption identified by Wright (2001) by applying it to the public and nonprofit sectors and concepts similar to work motivation.

Before embarking on the journey of developing hypotheses to test the assumption identified by Wright (2001) by applying it to public and nonprofit work environments and concepts similar to work motivation, it is pertinent to understand why a relationship may exist between the work environment and work motivation at all. Many theories seek to explain the relationship between work context and the individual worker. Each theory can offer a unique perspective on the relationship; however, the amount of theories is too vast to include an exhaustive list here. Therefore, several prominent ones are discussed here adequately addressing the potential relationships between organizational structure and the individual worker—person-organization fit, Maslow's hierarchy of needs, Herzberg's two-factor theory of work motivation, and expectancy theories of work motivation. Drawing on the motivation theories, hypotheses are then developed regarding the relationship between organizational rules—red tape and inflexibility of personnel rules—with incentives to work hard, job satisfaction, and absenteeism.

THEORIES OF WORK MOTIVATION

“Motivation refers to forces within an individual that account for the level, direction, and persistence of effort expended at work.” (Schermerhorn, Hunt, & Osborn, 2008, p. 111). In the literature of organizational behavior, employees, including managers and line workers alike, are often the subject whose motivation is observed and measured. “Motivation” in these studies refers not only to concepts such as job and work motivation for employees, but also refers to other motivation-related work attitudes including job satisfaction, job involvement, and organizational commitment (Rainey, 2009). No matter the specific language adopted by scholars to define motivation, Steers, Mowday, and Shapiro (2004) state that definitions of motivation place focus on three common elements—“[...] factors or events that energize, channel, and sustain human behavior over time” (Steers et al., 2004, p. 379). I begin my review of motivation theory by discussing person-organization fit, as it hones in on the relationship between organizational characteristics and individual work motivation.

Person-Organization Fit. Theories explaining the interaction between a person and the person’s work environment can readily be found in the management literature over the past century (Kristof-Brown, Zimmerman, & Johnson, 2005). This concept is known as the person-environment fit (P-E fit) which “[...] is broadly defined as the compatibility between an individual and a work environment that occurs when their characteristics are well matched” (Kristof-Brown et al., 2005, p. 281). When an individual and a work environment are matched well, positive outcomes are expected (Carless, 2005). Tinsley (2000) identifies that P-E fit models commonly present two constructs. In one construct, P-E fit refers to how well the desires of an employee (ex. needs, goals, values, and interests) are matched with what an organization supplies (ex. benefits, rewards, satisfiers). In the second construct, P-E fit refers to how well an

employee's abilities (ex. education, abilities, education) are matched with the demands of a job (ex. climate, work load, task requirements) (Tinsley, 2000). Outcomes supplied by the relation between an individual and organization in either of the previously described constructs include but are not limited to reduced absenteeism, increased job satisfaction, improved coping, increased motivation, and increased work morale (Tinsley, 2000).

P-E fit is an umbrella concept that encompasses several distinct types of P-E fit including person-organization fit (P-O fit). P-O fit specifically addresses the congruence between the individual and a whole organization (Kristof-Brown et al., 2005). In other words, P-O fit observes how similar the individual and organization are in terms of climate, culture, values, goals, and/or personality (Kristof-Brown et al., 2005).

Therefore, in the P-O line of thought, what an individual and the organization bring to the table matter in terms of motivation. P-O fit is not alone in embracing the idea that the relationship between an individual's needs, motives, and values and an organization can lead to specific attitudinal and behavioral responses from an individual. The concept is also utilized in several motivation theories including Abraham Maslow's hierarchy of needs, Frederick Herzberg's motivation-hygiene theory, and others (Giauque, Ritz, Varone, & Anderfuhren-Biget, 2012).

Hierarchy of Needs. Like P-O fit, Maslow's (1954) motivation theory, hierarchy of needs, categorizes human needs into five categories—psychological needs, safety needs, belongingness/social needs, esteem needs, and self-actualization needs (Giauque et al., 2012). These categories are ranked in a 'hierarchy of prepotency' in the order listed above. According to Maslow (1954), starting from the lowest level of needs, psychological needs, each category dominates the motives of an individual until the need is sufficiently satisfied. Once the need is

satisfied, then the individual shifts his or her motives to the next highest level of needs. For instance, once psychological needs are sufficiently satisfied and individual shifts his or her motives to safety needs. This process continues with each level of needs with self-actualization being the highest level of needs to be satisfied (Maslow as cited in Rainey, 2009). When applied to the workplace, both P-O fit and the hierarchy of needs describes some type of exchange and congruency between the need and/or goals of an individual and an organization need to be in place in order to influence motivation. What an organization can do to achieve this balance or congruency is more clearly described by Herzberg (1968) in his two-factor theory of motivation. Herzberg (1968) also highlights that higher-order needs of workers play a part in motivating employees (Giauque et al., 2012; Rainey, 2009) and describes organizational factors that contribute to worker satisfaction and dissatisfaction (Herzberg, 1968).

Two-Factor Theory of Motivation. Herzberg (1968) recognizes that the factors that influence an employee's job satisfaction and dissatisfaction are independent and distinct from one another—hygiene factors and motivators. When hygiene factors are insufficient, these factors lead to a worker being more dissatisfied (Herzberg, 1968); however, sufficient hygiene factors are not theorized to increase satisfaction (Herzberg as cited in Rainey, 2009). Hygiene factors are extrinsic to one's job and include factors such as working conditions, company policies and administration, and salary. Motivators, on the other hand, when sufficient lead to higher job satisfaction (Herzberg, 1968); however, insufficient motivators are not theorized to lead to greater dissatisfaction (Herzberg as cited in Rainey, 2009). Motivators are intrinsic to one's job and include factors such as responsibility, personal achievement, and recognition (Herzberg, 1968).

Herzberg (1968) argues that managers can increase an employee's job satisfaction by enriching jobs. Job enrichment aims to alter the jobs for employees so that organization personnel are used most effectively. Methods to enrich jobs identified by Herzberg (1968) include but are not limited to the following: (1) "removing controls while retaining accountability" (p. 10) which is related to responsibility and personal achievement motivators; (2) "increasing the accountability of individuals for own work" (p. 10) which is related to responsibility and recognition motivators; and (3) "granting additional authority to employees in their activity; job freedom" (p. 10) which is related to responsibility, achievement, and recognition motivators. All of these methods appeal to motivators based in psychological growth needs of an individual which are reflective of the highest level of needs, self-actualization, identified in Maslow's (1954) hierarchy of needs (Maslow as cited in Rainey, 2009).

Expectancy Theories of Motivation. Expectancy theories of motivation improve upon the ideas offered by the two-factor theory of motivation by taking into account that expectations and values vary in perception for individuals. In the mid-1960's, motivation theories took a turn from focusing on factors existing in a static environment influencing motivation, known as content theories, to a view that factors exist in a dynamic environment influencing motivation, process theories (Steers, Mowday, & Shapiro, 2004).

Similar to the variety of concepts that seek to explain motivation, even the narrower categorization of expectancy theories contains many versions (Miner, 2005). The origins of the expectancy theory (or expectancy-valence theory), can be traced to the work of Lewin (1938) and Tolman (1959) in which the authors describe behavior as being "[...] purposeful, goal directed, and largely based on conscious intentions" (as cited in Steers, Mowday, & Shapiro, 2004, p. 382). Therefore, an individual's behavior is intentional rather than accidental (Lewin as

cited in Steers, Mowday, & Shapiro, 2004; Tolman as cited in Steers, Mowday, & Shapiro, 2004). Extrapolating this idea of intentional, purposeful behavior of an individual and applying the idea in a workplace setting, Vroom (1964) developed the first version of the expectancy theory relating to the workplace (Steers et al., 2004).

Applying these ideas to the workplace, Vroom (1964) contended that employees evaluate on-the-job behaviors, such as working hard, in a rational manner. Employees also value possible work-related rewards. Through rational decision making and the desire to maximize his or her utility, the employee then chooses the behavior that will lead to the greatest valued work-related reward. Utilizing this theory to hypothesize about employee behaviors, researchers should consider the attractiveness and the amount of energy required by a certain task in order to achieve an outcome which will then lead to a desired work-related reward (Steers et al., 2004).

The expectancy theory describes the link between action and outcome and consists of three major components: (1) valence, (2) force, and (3) effort. Individuals may view outcomes as attractive or unattractive based on their feeling that realizing the outcome will result in a particular feeling of satisfaction (Vroom as cited in Miner, 2005). According to Vroom (1964), assuming an individual encounters multiple potential outcomes, an individual has a preference for certain outcomes relative to one another. This preference, also known as the valence, is mathematically calculated by considering the valence of other possible outcomes. The valence of one outcome refers to the anticipated satisfaction that would be realized if the outcome were reached. Force and effort refer to the action portion of the action-outcome linkage (Vroom as cited in Miner, 2005; Vroom 1964). An individual arrives at the force or effort by taking into account the chief variable of the expectancy theory—expectancy. Expectancy refers to how certain or probable a specific outcome will be reached by engaging in a specific action (Miner,

2005). Force is then calculated and is the function of summing the products of the expectancy and valence of outcomes. In this theory, force is a rational decision arrived upon by algebraic calculations (Miner, 2005; Vroom, 1964). In Vroom's (1964) description of the theory, he specifically makes reference to the theory's application to occupational choice, job satisfaction, and job performance (Miner, 2005). Additional contributions to the theory's development are made in the area of job performance (Miner, 2005).

The expectancy theory, however, encounters a few challenges in application. For instance, Miner (2005) points out that not all decisions are made in a rational, calculated manner. There may be instances where individuals are not aware of all possible outcomes or may act out of motives that they are not personally aware of at the time. Despite this challenge, the theory is still useful and can provide a method for approximation (Miner, 2005). Additionally, although there are challenges in applying the expectancy theory, the theory offers concepts and a broad view of motivation that is applicable to hypotheses in this dissertation and even extends to absenteeism (Porter & Steers, 1973) as will be discussed later in this chapter.

HYPOTHESES

Drawing on the idea that elements of organizational context as described by Wright (2001) contribute to employee motivation, the following section pulls from ideas in the previously described motivation theories to develop some of the hypotheses tested in later chapters of this dissertation.

Incentives to work hard. A key element in many motivation theories are incentives, and incentives play a critical role in motivation. "Incentive" and "motive" are terms often used by motivational theorist (Rainey, 2009). Rainey (2009) defines an incentive as "[...] an external object or condition that evokes behaviors aimed at attaining or avoiding it" (p. 252). An

employee's motive is an internal force driving his or her desire to possess or avoid a given incentive (Rainey, 2009). The relationship between an employee's motives and available incentives are characterized in motivation theories such as the expectancy theory (Vroom, 1964; Porter & Lawler, 1968).

Work-related rewards, or incentives, are a critical component of the expectancy theory developed by Vroom (1964) and then further expanded by Porter and Lawler (1968). As previously described in this chapter, in expectancy theory a worker's motivation is the product of the employee's perceived probability of obtaining, or avoiding, an incentive at a given level of work effort and the valence the employee places on the incentive. The valence is the particular desirability of a reward at a given level of work effort (Vroom as cited by Miner, 2005). Although the expectancy theory receives some criticisms (Miner, 2005; Rainey, 2009), the theory is still revered as a valid work motivation theory (Miner, 2005). In relation to work incentives, the expectancy theory calls attention to employee awareness of the presence of incentives as well as employee evaluation of incentives (Vroom as cited in Miner, 2005). Therefore, the perception of available incentives is a critical element in the process of motivating employees.

Incentives are personal in nature. Each employee evaluates an incentive and has expectations of incentives that are relative to his or her own perspective (Porter & Steers, 1973). The theorists recognize that there are a variety of incentives that can motivate employees. Incentives can be characterized in a variety of ways, but one prominent categorization is Lawler's (1971) distinction between intrinsic and extrinsic rewards. Intrinsic rewards are "[r]ewards intrinsic to the individual and stemming directly from job performance itself, which satisfy higher-order needs such as self-esteem and self-actualization (feelings of accomplishment

and of using and developing one's skills and abilities)" (Lawler as cited in Rainey, 2009, p. 256). Extrinsic rewards are "[r]ewards extrinsic to the individual, part of the job situation, given by others" (Lawler as cited by Rainey, 2009, p. 256) such as money (Miner, 2005).

Although not explicitly a concept described as work motivation, the concept of incentives to work hard can be paired with work related attitudes because with incentives playing such an important role in motivation theory, the question of whether an individual is motivated is similar to whether an individual perceives hard work to be incentivized. Since work related attitudes are identified in the literature as falling under the umbrella term of "motivation" (Rainey, 2009), reasons for studying motivation are also extended to work related attitudes; thus, ideas and theories applying to work motivation are applied to perceived incentives to work hard for the purposes of this dissertation.

Literature examining the relationship between administrative constraints with work related attitudes provides evidence of both positive and negative associations. An explanation for both positive and negative findings may be due to the variety of measures utilized to capture the effects of administrative constraints. For instance, in terms of public organizations, red tape and personnel rules are observed as part of the organizational structure that hinders public employees from attaining opportunities to reach altruistic and higher order needs (Wright & Davis, 2003). Dehart-Davis and Pandey (2005) find evidence that the presence of administrative constraints leads to worker alienation. In a different take on administrative constraints, Wright and Davis (2003) focus on routineness and job specificity. These studies show that procedural constraints are indirectly and negatively related to job satisfaction through routineness and job specificity (Wright & Davis, 2003). In yet another look at administrative constraints, Snizek and Bullard (1983) and York and Henley (1986) find evidence that job satisfaction is increased by

the standardization of work procedures because expectations are clarified (as cited in Bozeman, 2000, p. 10). Therefore, scholars have found evidence of both positive and negative relationships between constraints and worker attitudes.

This dissertation focuses on red tape and the inflexibility of personnel rules. These conceptualizations of administrative procedures possess a negative nature; therefore, the following relationship between red tape and the inflexibility of personnel rules with perceived incentives to work hard is hypothesized:

H₁: Red tape decreases the likelihood of a respondent providing a positive response to whether incentives to work hard are present in his or her job.

H₂: Inflexibility of personnel procedures decreases the likelihood of a respondent providing a positive response to whether incentives to work hard are present in his or her job.

Job Satisfaction. Job satisfaction is “[...] an overall affective orientation on the part of individuals toward work roles which they are presently occupying” (Kalleberg, 1977, p. 126). The concept can also be defined as “[...] the degree to which people like their jobs” (p. vii, Spector, 1997). Three categories of antecedents are historically credited with changes in job satisfaction: (1) personalities; (2) nature of jobs/work role characteristics; (3) motives of individuals. Of particular interest in this dissertation is the nature of jobs/work role characteristics which includes elements of organizational structure (Kalleberg, 1977).

Like incentives to work hard, job satisfaction is also not synonymous with work motivation. Job satisfaction is a motivation-related work attitude spoken about in a similar vein as motivation (Rainey, 2009); however, Rainey (2009) states that researchers often differentiate between motivation and work attitudes with work effort. Another difference between job satisfaction and worker motivation is noted not in their conceptual differences but in the

relationship between the two concepts. Wright (2001) also recognizes that research on motivation in the public sector suggests that job satisfaction is a determinant of work motivation; therefore, changes in worker motivation may be attributed to changes in job satisfaction.

However, reasons for studying motivation are similar to the reasons posed for studying “job satisfaction” (Rainey, 2009). For instance, to influence worker attitudes, including job satisfaction, motivational techniques are utilized, and worker motivation is recognized as being linked to desirable outcomes (Rainey, 2009). Therefore, understanding and exploring elements of an organization that contribute to worker motivation are important because workers are a vital component contributing to the performance and quality of work life of an organization (Rainey, 2009).

Job satisfaction is a concept that receives attention from academics as well as practitioners (Spector, 1997). Research on job satisfaction is abundant with studies numbering into the thousands (Spector, 1997; Rainey, 2009). There are many salient reasons job satisfaction receives interest, and these reasons fall into two categories—the focus on the individual and focus on the organization (Spector, 1997). Focus on the individual reveals a humanitarian view which concerns the treatment of employee and an employee’s psychological state or wellbeing (Spector, 1997). Similarly, in addition to recognizing other employee attitudes as a consequence of job satisfaction, Locke (1976) claims that happiness is a consequence of job satisfaction. Since happiness is a goal in life, Locke (1976) states that studying job satisfaction is important.

In addition to a focus on the individual, reasons for studying job satisfaction also focus on the organization. A focus on the organization is a utilitarian view positing individual behavior as a consequence of job satisfaction, and, in turn, an individual’s behavior affects the functioning of

an organization (Spector, 1997). Likewise, Locke (1976) identifies employee behaviors, including absenteeism, as a consequence of job satisfaction.

Although recognizing the importance of work motivation and work related attitudes such as job satisfaction, scholars have yet to reach a consensus on one theory for the umbrella concept of work motivation or even the more concentrated concept of job satisfaction (Rainey, 2009). In terms of job satisfaction, several challenges exist in job satisfaction research that create hurdles for the development of a single theory of job satisfaction.

Although well researched, drawing conclusions about job satisfaction is complicated by the many definitions of job satisfaction present in the literature. The variety of definitions of job satisfaction makes rendering a consensus around a theory of job satisfaction and what variables serve as antecedents to job satisfaction difficult. Using different definitions, and thus using different measures, results in conflicting findings across studies (Rainey, 2009). Job satisfaction is viewed as an emotion (Locke, 1976), as an attitude, and as a “perspective on needs fulfillment” (Spector, 1997). In simple and direct terms, “[j]ob satisfaction is simply how people feel about their jobs and different aspects of their jobs” (Spector, 1997, p. 2) with feelings reflecting positive or negative favorability towards one’s job or aspect of one’s job (Rainey, 2009). This definition highlights the previously mentioned complication with job satisfaction research; job satisfaction does not refer to one singular concept (Rainey, 2009). Instead, this definition identifies feelings towards one’s job and feelings towards facets of one’s job (Spector, 1997).

Reflecting different conceptual definitions of job satisfaction, different measurements for the concepts are represented in the literature including global measures of job satisfaction and satisfaction with specific facets of a job (Rainey, 2009). Global measures estimate an

employee's general feelings (Rainey, 2009) or overall attitude (Spector, 1997). To provide a greater understanding about general feelings, global measures include questions such as ones dealing with enjoyment and enthusiasm (Rainey, 2009) or a single measure referencing one's overall job satisfaction (Wanous, Reichers, & Hudy, 1997). Measures for satisfaction with specific facets estimate an employee's feelings, positive or negative, towards a particular aspect of one's job (Rainey, 2009). For example, Smith's (1976) Index of Organizational Reactions provides measurements for satisfaction with financial rewards and supervision (as cited in Rainey, 2009). In this dissertation, I analyze how perceptions of red tape and inflexibility of personnel rules by public and nonprofit managers are associated with their global job satisfaction.

In terms of public organizations, red tape and personnel rules are observed as part of the organizational structure that hinders public employees from attaining opportunities to reach altruistic and higher order needs (Wright & Davis, 2003). However, administrative constraints are not always viewed in a negative light. For instance, some rules can exist to promote accountability while other rules, red tape, are burdensome and disrupt the efficient operations of an organization (Bozeman, 2000). Whether providing accountability or creating burdens for organizations, the relationship between rules, both red tape and personnel rules, and manager attitudes and behavior is of interest to scholars. As mentioned earlier in this chapter, Dehart-Davis and Pandey (2005) find evidence that the presence of administrative constraints leads to worker alienation. Further, studies show that procedural constraints are indirectly and negatively related to job satisfaction through routineness and job specificity (Wright & Davis, 2003). On the other hand, Snizek and Bullard (1983) and York and Henley (1986) find evidence that job satisfaction is increased by the standardization of work procedures because expectations are

clarified (as cited in Bozeman, 2000, p. 10). Therefore, scholars have found evidence of both positive and negative relationships between constraints and worker attitudes. Drawing on the negative nature of red tape and inflexibility of personnel rules described in the previous chapter, the following is hypothesized:

H₃: Red tape decreases likelihood of a respondent providing a positive response to whether a respondent is satisfied with his or her job.

H₄: Inflexibility of personnel rules decreases the likelihood of a respondent providing a positive response to whether a respondent is satisfied with his or her job.

Absenteeism. Absenteeism is described as “[...] the failure of people to go to work” (Schermerhorn et al., 2008), and is noted as being opposite of attendance in the logical sense (Johns, 2001). In the literature, absenteeism is categorized as a work withdrawal behavior along with lateness and turnover (Johns, 2001). These work withdrawal behaviors were among some of the first subjects with practical applications that were the focus of work psychologists (Johns, 2001).

Why is studying absenteeism important? In a review of the absenteeism literature published in 1998, the authors David A. Harrison and Joseph J. Martocchio claim that publications citing absenteeism as the primary variable of interest totaled over 500 and note that absenteeism is a dynamic area of research. Traditionally, withdrawal behaviors such as absenteeism receive attention because of potential byproducts associated with the behaviors like costs to the organization (Harrison & Martocchio, 1998; Johns, 2001), disruption in the organization (Johns, 2001), turnover, poor performance, and slacking on the job (Harrison & Martocchio, 1998). However, in the vast pool of absenteeism research, not all conclusions are

“on the same page,” metaphorically. Sometimes developments point out areas of consensus while others fuel debates and areas for new developments (Harrison & Martocchio, 1998).

Like job satisfaction, the concept of absenteeism takes on different forms. For instance, a distinction between voluntary and involuntary absenteeism is acknowledged in the literature (Sagie, 1998). This designation is credited to March and Simon (1958)¹. Involuntary absences are absences resulting from events or conditions such as certified sickness or attending a funeral. In cases of involuntary absences, the absences are not under the employee’s direct control. Voluntary absences on the other hand, are under the employee’s direct control and include absences from events or conditions such as uncertified sickness and vacation (Sagie, 1998).

Several factors are noted in the literature as contributing to absenteeism. Over the years, ample amounts of research examining the link between absenteeism and work attitudes, such as work satisfaction has populated the literature (Sagie, 1998). Taking into account several studies reviewing literature on withdrawal behaviors such as absenteeism and turnover (i.e., Brayfield & Crockett, 1955; Herzber, Mausner, Peterson, & Capwell, 1957; Vroom, 1964; Schuh, 1967), Porter and Steers (1973) conclude that job satisfaction is indeed a critical factor contributing to work withdrawal behaviors. However, additional internal and external factors associated with absenteeism are also important to consider.

External factors, such as the economy and medical situations, are recognized as being related to absenteeism (Porter & Steers, 1973). However, the focus of this dissertation is internal factors. Internal factors, those having to do with the interaction between the worker and his or her working situation, include organization-wide factors, factors in the immediate work environment, job content factors, and personal factors (Porter & Steers, 1973). Organization-

¹ Information on March and Simon’s (1958) distinction gathered from Sagie (1998).

wide factors include red tape and the inflexibility of personnel procedures. Porter and Steers (1973) offer a way to understand how internal factors such as red tape and inflexibility of personnel rules relate to absenteeism.

Porter and Steers (1973) state that an expectancy model that can be applied to turnover could also possibly be applied to absenteeism with a few alterations. In this model, individuals, with their unique set of job-related expectations, develop valence (or perceived desirability) of possible incentives and an expectancy (or perceived probability that working at a particular level will lead to a specific outcome such as receiving rewards). Further, the force that causes an individual to exert a specific level of work effort or engage in an activity is a function of the individual's valence and expectancy (Vroom as cited in Rainey, 2009). Porter and Steers (1973) state that in order to make an employee feel that remaining in the organization is valuable, the organization must ensure that an individual's expectation set is met. Thus, an individual's choice to stay with an organization based on the process of balancing rewards that the individual has or may receive with the individual's expectation set (Porter & Steers, 1973). As a part of the Porter and Steers (1973) expectancy model, it is recognized that one such beneficial action that an agency can take to reduce turnover would be to enrich the amount of rewards that are potentially available to a worker, thus increasing the probability that the worker would be able to reap the rewards. Thus, organization-wide factors such as policies determining pay and promotion are considered to likely influence withdrawal behaviors like turnover and absenteeism (Porter & Steers, 1973).

This relationship between organization-wide policies determining pay and promotion and absenteeism is expected because of employee concerns with equity of work effort exerted with rewards received and that work effort relative to withdrawal behaviors will result in more

desirable rewards for the individual (Porter & Steers, 1973). Porter and Steers (1973) additionally presume that the relationship that factors constrain the content of one's job making one's job frustrating can lead to absenteeism. Thus, policies and working conditions that impose constraints on workers are perceived to influence turnover and absenteeism (Porter & Steers, 1973), and absenteeism can be reduced by lessening frustrations facing workers that may be caused by factors such as processes that are not streamlined (ie., processes bogged down by red tape) (Everton, Jolton, & Mastrangelo, 2005).

H₅: Red tape is positively associated with absenteeism.

H₆: Inflexibility of personnel rules is positively associated with absenteeism.

CONCLUSION

Red tape and the inflexibility of personnel rules are elements of the organizational context thought to be linked to work motivation as described by Wright (2001). In this chapter, I used motivation theory to provide a basis for developing hypotheses linking red tape and inflexibility of personnel rules with three outcome variables of interest—incentives to work hard, job satisfaction, and absenteeism. Because of the negative nature of red tape and inflexibility of personnel rules, I hypothesized administrative constraint variables will be negatively associated with positively desired outcomes such as incentives to work hard and job satisfaction and the administrative constraint variables will be positively associated with the negatively desired outcome of absenteeism.

Administrative constraints such as red tape and personnel procedures are organizational characteristics that are not constrained to one sector as is evident by the findings in the study conducted by Feeney and Rainey (2010). However, managers in the public and nonprofit sectors have different perception about the level of red tape and inflexibility of personnel rules within

their organizations (Feeney & Rainey, 2010). The question, “What difference do the differences make?”, is further explored by expanding upon the hypotheses presented in this chapter to explore whether the relationships hypothesized here between red tape and the inflexibility of personnel rules with perceived incentives to work hard, job satisfaction, and absenteeism differ for public and nonprofit managers. In other words, do we observe managers in the public and nonprofit sectors coping differently with red tape and the inflexibility of personnel rules present in their organizations?

CHAPTER 5

NATURE OF THE PUBLIC AND NONPROFIT SECTORS

INTRODUCTION

Do managers in the public and nonprofit sectors respond differently to administrative constraints? Is it possible that a difference between sectors be found in whether managers cope with red tape and inflexible personnel rules? Scholars already provide evidence that managers in the public and nonprofit sectors differ in their perception of the levels of red tape and inflexibility of personnel rules within their organizations. Feeney and Rainey (2010) find evidence that public managers perceive higher levels of red tape and inflexibility of personnel rules in their organizations relative to nonprofit managers, thus the authors present evidence of public and nonprofit organizational structures differing in terms of concepts of organizational rules. Evidence from Feeney and Rainey (2010) provide support for Wright's (2001) assumption that a sector specific work environments exist.

In the previous chapter, I developed hypotheses about the relationship between levels of red tape and the inflexibility of personnel rules with three outcome variables—incentives to work hard, job satisfaction, and absenteeism. In this chapter, I build upon those thoughts and discuss how the associations between administrative constraint variables and the three outcomes variables of interest may differ for public and nonprofit managers. I ask whether public managers cope with red tape and the inflexibility of personnel rules differently than nonprofit managers. Therefore, the hypotheses developed in the this chapter establish a road map for testing the second assumption of Wright's (2001) model describing the theoretical framework of

existing studies of motivation in the public sector context—differences between sector work environments make a difference in work motivation. Hypothesizing the difference that sector distinction makes for public and nonprofit managers in the relationship between administrative constraints and motivation as well as administrative constraints and behavior is supported by understanding the nature of each sector.

COPING

According to the property right tradition view, public managers in the face of red tape may exhibit behaviors tolerating and permitting red tape (Alchian & Demsetz, Davis, and Bozeman as cited in Pandey & Welch, 2005, p. 543). This type of public manager response to red tape is referred to as “coping” by Pandey and Welch (2005). “Coping” is described as an attempt “[...] to deal with and attempt to overcome problems and difficulties” (Merriam-Webster Online Dictionary, 2010). Pandey and Welch (2005) make a distinction between the response of public sector and private sector managers to red tape because of sector differences. Sector differences leading to this distinction include the following factors which exist in the private sector but do not exist in the public sector: individual incentives to use organization resources efficiently and holding stakes in the economic returns of an organization (B. Bozeman and C. Hood, M. Huby, & A. Dunsire as cited in Pandey & Welch, 2005, p. 543). Thus, the property right tradition view proposes that sector specific characteristics contribute to varying responses from managers in different sectors to administrative constraints, such as red tape and inflexible personnel rules (Pandey & Welch, 2005).

Building upon some of the initial thoughts of Pandey and Welch (2005), the concept of “coping” can be extended to a discussion on sector distinctions between the public and nonprofit sectors. The property right tradition as described by Pandey and Welch (2005) only addresses

the difference between public and private organizations without addressing the nonprofit distinction of some private organizations. However, public and nonprofit organizations do not differ in their lack of distribution of profits to stakeholders (Frumkin, 2011) as private and public organizations do (Bozeman et al. as cited in Pandey & Welch, 2005).

In further studies of managers coping with red tape, Pandey and Moynihan (2006) state that it is the mission-based culture of an organization that encourages managers to cope and overcome red tape in order to improve performance. In their study, Pandey and Moynihan (2006) find evidence that partially supports this conjecture. They find that political support and culture are related to organization performance (e.g. mission effectiveness and service quality), and that culture serves as a moderator between human resources red tape and the mission effectiveness measure of performance as well as procurement/purchasing red tape and the service quality measure of performance (Pandey & Moynihan, 2006). In a related study, Pandey, Coursey, and Moynihan (2007) find further evidence of culture moderating the relationship between red tape and performance.

Services and missions are areas where the sector lines between public and nonprofit sectors may be blurred. Organizations in both sectors may engage in the same type of work (ex. education) (Rainey, 2009). Additionally, in contracting relationships, public initiatives may be contracted out to nonprofit organizations (Hall, 2001). Thus, applying this line of thinking about performance to that of manager attitudes and behaviors, it may be posited that no difference will be observed between public and nonprofit managers in the relationship between perceived red tape and inflexible personnel procedures and their attitudes and behaviors. However, other differences between the public and nonprofit sectors are identified to support a hypothesized

difference in coping with administrative constraints for public and nonprofit managers—ownership, accountability, and sector specific environmental characteristics.

THE NONPROFIT SECTOR

In Chapter 2, several methods of sector comparisons and distinctions were discussed. Building upon the ideas presented in Chapter 2, the distinctiveness and natures of sectors are discussed in more detail here.

According to Hall (2006), “nonprofit organization” and “nonprofit sector” are recent classifications developed post World War II to assist with taxation, regulation, and policy development as it relates to organizations in the third sector. Spanning organizations from trusts to political parties, the term “nonprofit” is widely known to reference “[...] the larger universe of formal and informal voluntary associations, non-stock corporations, mutual benefit organizations, religious bodies, charitable trusts, and other nonproprietary entities” (Hall, 2006, p. 32). Spanning such organizations, the sector encompasses an array of organizations, missions, and organizational structures. If there is one word to sum up the way the modern third sector looks, it is “diverse” (Boris & Steuerle, 2006; Source, 2011). Not only is it diverse, the composition of the sector debunks the common thought that the nonprofit sector is comprised of organizations funded by donations executing charity work through the labor of volunteers; whereas, reality is many nonprofit organizations exist that do not focus on charity nor are funded by donations nor rely on unpaid workers (Boris & Steuerle, 2006). This diversity and rapid growth over the past century make the history of the sector difficult to track and recount (Hall, 2006).

Tackling the challenging task of succinctly describing organizations in the nonprofit sector, Blackwood, Wing, and Pollak (2011) categorize nonprofit organizations into three

groups—public charities, private foundations, and “other” nonprofit organizations. Public charities are classified as 501(c)(3) organizations under the United States tax code, a tax exempt classification. Public charities include organizations that address specific causes that people commonly think about when thinking about nonprofit organizations—arts, education, health care, and religion. Private foundations are also classified as 501(c)(3) organizations usually founded by a family, individual, or organization. Private foundations can serve as the funding body for public charities and scholarships as well as “[...] support government activities, or conduct operating activities similar to those of public charities” (Blackwood, Wing, Pollak, 2011, p. 12). The third category, “other” nonprofit organizations includes organizations such as trade associations, labor unions, and advocacy organization, to name a few (Blackwood, Wing, Pollak, 2011).

Although the nonprofit sector is diverse and vast, nonprofit organizations are still set apart from private and public organizations (Source, 2011). “Freed from the profit motive that dominates business and from the constraints of government, the nonprofit sector serves as a forum for creation and dissemination of new ideas, an efficient vehicle for delivering social services, and a guardian of our environment, value, and heritage” (Source, 2011). And, although the diverse sector is comprised of organizations with differences in funding, legal statuses, levels of professionalism, and organizational purposes, some commonality among the organizations in the sector can be found (Frumkin, 2011). Frumkin (2011) identifies three features that link the organizations in the nonprofit sector—(1) non-coercive participation; (2) profits are not distributed to stakeholders; (3) lack clear lines of ownership or accountability. Frumkin (2011) further argues that these three distinct characteristics of nonprofit organization are what set them apart from private and government organizations to execute vital roles in society that private and

government organizations are not able to perform (Frumkin, 2011). The features outlined by Frumkin (2011) highlight how public and nonprofit organizations are alike in “what” the organizations seek out to accomplish but differ in “how” to get there.

Of the three features, Frumkin (2011) identifies non-coercive participation as potentially the “most fundamental.” He identifies many reasons for this assertion, but of importance to this dissertation are those related to delineations between the public and nonprofit sector as well as reasons associated with motivation and behaviors of managers. Frumkin (2011) uses the non-coercive characteristic to describe how an organization can be like a private organization while making it different from a government organization and vice versa. For instance, in one sense nonprofit organizations are more like private organizations, making them less like public organizations, because nonprofit organizations do not coerce individuals to partake of the goods and services provided by an organization or coerce funding by investors or donors. Operating in a market in which individuals can choose to partake or not and thus driving the existence and competitiveness of nonprofit organizations, is a characteristics of nonprofit organizations which is much like that of private firms. Unlike government organizations, which use coercive measures, nonprofit organizations do not impose taxes, put lawbreakers in prison, or “regulate behavior(s)” of individuals (Frumkin, 2011).

While the second feature of not distributing profits to stakeholders does not make the nonprofit sector distinctive from the public sector, it does highlight distinction from the private sector. Further distinction of the nonprofit sector from the public sector, however, is established through the third distinctive feature of nonprofit organizations—unclear ownership and accountability (Frumkin, 2011). This third factor is discussed later in this chapter in conjunction with the common perceptions of the public and nonprofit sectors providing a basis for

hypothesizing that public and nonprofit managers respond differently to the presence of red tape and inflexibility of personnel rules within their organizations.

PUBLIC AND NONPROFIT SECTOR DISTINCTION

The idea of public domain being distinct from private domain is longstanding (Rainey, 2009). Horwitz (1982) dates the delineation between public and private in the legal perspective back to the sixteenth and seventeenth centuries. However, what is identified as public domain and what is identified as private domain varies from society to society and also varies over time (Rainey, 2009). In modern discussions of public and private, the distinction is often made relative to three factors: whether communal or individual interests are affected; whether access to resources, information, and facilities is closed or open to the public; and whether actions by a person or individual are made on behalf of the individual or the community (Benn and Gaus as cited in Rainey, 2009). These factors are elaborated upon in theories of sector distinction discussed in Chapter 2. Drawing from those theories, several common themes are worth reiterating here—ownership and accountability. Additionally, common perceptions about the public and nonprofit sectors are discussed. These factors not only speak to the nature of the public and nonprofit sectors, but also speak to the distinctive nature of the sectors when comparing them to one another and provide a foundation for hypothesizing differences in public and nonprofit managers coping with administrative constraints.

Ownership and Accountability. Red tape and personnel procedures are types of process controls utilizing rules and procedures to provide controls on worker actions and decisions. Rules provide information to workers about how to perform tasks, how to perform a series of tasks, or what is not permitted when performing tasks or series of tasks (Schermerhorn et al., 2008). Procedures inform workers "the best method for performing a tasks, show which

aspects of a task are the most important, or outline how an individual is to be rewarded" (Schermerhorn et al., 2008, p. 397).

Giving teeth to the bark of controls is accountability. Romzek and Dubnick (1987) describe four types of accountability systems, each of which has some type of accountability mechanism (internal or external) and degree of control over actions of the agency (high or low). The authors' description of the bureaucratic accountability system illustrates how rules and procedures are coupled with accountability. With an internal source of agency control and a high degree of control over agency actions, the bureaucratic accountability system supervisory control is established and public administrator expectations are managed by two factors—supervisory and subordinate relationship that is clear and legitimate as well as a system of close supervision or clearly established policies, rules, and procedures (Romzek and Dubnick, 1987). Therefore, rules and procedures are used as tools to establish and maintain accountability in the bureaucratic accountability system (Romzek and Dubnick, 1987).

Although rules and procedures are used as tools to establish accountability (Romzek and Dubnick, 1987), rules and procedures in the public sector and the nonprofit sector are different in nature because the rules exist in two different sector specific environments. Specifically, the public sector and the nonprofit sector differ in terms of ownership and lines of accountability. As described in chapter 2, there are several methods of defining public organizations including methods using ownership as a distinctive factor (ex. Wamsley and Zald, 1973). Wamsley and Zald (1973) state that organizations can be either privately owned or owned by the government. In this classification, organizations that we typically associate with the public sector classification, such as government agencies and government corporations, are identified as being owned by the government (Wamsley & Zald, 1973). These government organizations,

typically classified as public organizations, possess a clear line of accountability to the voters which is captured in the tradition that the United States government “belongs” to the citizens of the United States, although practice of this ownership is limited (Frumkin, 2011). In the public sector there are a variety of accountability relationships can be present in a public organization such as that of supervisor and subordinate as well as the law maker and the law executor (Romzek and Dubnick, 1987); nonetheless, government organizations are ultimately owned and accountable to the citizenry (Frumkin, 2011). The lines of ownership and accountability in the nonprofit sector, on the other hand, are unclear (Frumkin, 2011).

The lines of ownership and accountability are unclear in nonprofit organizations because there are multiple sources exerting control over the organizations and that seek to hold the organizations accountable. Examples of groups of individuals holding stakes in nonprofit organizations are local communities, board members, donors, and employees. Not only is ownership and accountability unclear, it varies between organizations in the nonprofit sector with different groups having greater stakes in one nonprofit organization relative to another (Frumkin, 2011). The strength of the ownership claims is dependent upon the mission and funding of an organization (Hansmann as cited in Frumkin, 2011). For instance, the ownership claim for donors is greater relative to other potential ownership parties in a nonprofit organization receiving a great deal of funding through charitable contributions (Frumkin, 2011). “In the end, nonprofit and voluntary organizations are authorized to act in the public interest by the communities in which they operate, though the lines of accountability are weaker than those in the public sector and the lines of ownership far more obscure than in the business sector” (Frumkin, p. 19, 2011). Therefore, because of differences in ownership and lines of accountability, organizational red tape and personnel rules for public and nonprofit organizations

exist in different sector environments. Because the environments are different, it is hypothesized here that the association between red tape and inflexibility of personnel rules with perceived incentives to work hard, job satisfaction, and absenteeism will also be different for public managers relative to nonprofit managers.

Common Perceptions about the Public and Nonprofit Sectors. Yet another reason public and nonprofit managers may differ in coping with red tape and inflexible personnel rules is in dealing with perceptions of the sector in which they work. To this point, there is a question of whether the popular perceptions of a sector can influence the relationship between administrative constraints and the outcomes of interest in this dissertation—incentives to work hard, job satisfaction, and absenteeism. As discussed in the previous chapter, person-environment (P-E) and person-organization (P-O) fit theories of motivation highlight the importance of individual desires and abilities being in congruence with what an organization offers (Kristof-Brown et al., 2005; Tinsley, 2000) in order to achieve specific outcomes such as improved coping (Tinsley, 2000). A variant of the P-E model by Schneider (1987, 2001; Schneider et al., 1995 as cited in Leisink & Steijn, 2008), states that perceptions of organizations are important in making decisions to join and stay with an organization. Individuals are attracted to organizations and stay with organizations when their desires and abilities fit well with the organization (Schneider as cited in Leisink & Steijn, 2008). Therefore, perceptions are important to workers in regards to person-environment fit (Schneider as cited in Leisink & Steijn, 2008).

One perception workers may have about their organization is the amount and the constraining nature of red tape and personnel rules that should exist in organizations within the public and nonprofit sectors. In addition to the idea of more red tape and inflexibility of personnel rules within the public sector relative to the nonprofit sector (Feeney & Rainey, 2010),

the negative, yet well known image of red tape and inflexibility of personnel rules within the public sector (Goodsell, 2004) is important to consider. Goodsell (2004) addresses several ways government organizations are portrayed through bureaucrat “bashing.” With bureaucracy referring to American public administration, he states that bureaucracies are often blamed for creating red tape. However, blame is often placed on bureaucracies for the red tape because (1) people experience frustrations because of hurdles when dealing with bureaucracies; (2) paperwork for the government is excessive; and (3) treatment of clients without consideration of personal cases and how rules are applied. Similarly, Goodsell (2004) also makes claims about the nature of the civil service system in government organizations describing government agencies as “staffed by bureaucrats that cannot be fired” (Goodsell, 2004, p. 5). Rainey (2009) also echoes the perception of public organizations being riddled with burdensome red tape and inflexible personnel rules. From reviewing existing literature and research, Rainey (2009) compiles a list of characteristics distinctive to a public organization adapted from Rainey, Backoff, and Levine (1976) and Rainey (1989). In the list, he indicates that multiple assertions exist stating that public organizations are prone to having more red tape and that multiple studies find evidence of more inflexibility of personnel rules in public organizations. Additionally, Feeney and Rainey (2010) find evidence that public managers perceive higher levels of red tape and inflexibility of personnel rules within their organizations relative to nonprofit managers. Similarly, Bozeman (2000) states that public organizations possess more red tape compared to private organizations because of a greater amount of controls placed on government organizations to establish accountability to their outside environment (as cited in Goodsell, 2004). However, the perception of a constraining nature within the nonprofit sector is different than that described above of the public sector. Nonprofit organizations are perceived to be

flexible and responsive, thus being reason to support privatization of public initiatives delivered through nonprofit organizations rather than through government organizations (Hall, 2001).

As stated above, the perceived image of an organization affects the realized person-environment fit (Schneider as cited in Leisink & Steijn, 2008). Therefore, if public managers perceive the public sector to be riddled with red tape, public managers may just deal with the burdensome nature of red tape or the constraining nature of personnel rules because the reality of the organization matches the perception of the organization. In essence, those entering into the public sector somewhat know what they are getting themselves into by accepting employment in the public sector. Red tape and inflexible personnel procedures in a perceived flexible environment like the nonprofit sector (Hall, 2001) pose an environment that may not match the perception of a nonprofit manager.

Therefore, for the reasons stated above regarding differences in ownership and accountability in the public and nonprofit sectors as well as differences in common perceptions of the sectors, it is hypothesized that sector moderates the relationship between the administrative constraint variables and the outcome variables.

H_{7a}: Sector will moderate the relationship between red tape and incentives to work hard.

H_{7b}: Sector will moderate the relationship between inflexibility of personnel rules and incentives to work hard.

H_{8a}: Sector will moderate the relationship between red tape and job satisfaction.

H_{8b}: Sector will moderate the relationship between inflexibility of personnel rules and job satisfaction.

H_{9a}: Sector will moderate the relationship between red tape and absenteeism.

H_{9b}: Sector will moderate the relationship between inflexibility of personnel rules and absenteeism.

CONCLUSION

While the public and nonprofit sectors are similar in some ways, there are also characteristics that arguably make the two sectors distinct (Frumkin, 2011). These differences provide the foundation for hypothesizing differences in coping with red tape and inflexible personnel rules that public and nonprofit managers face in their organizations. Differences in ownership and accountability (Frumkin, 2001) support administrative constraints in the public and nonprofit sectors existing in differing sector environments. Additionally, differences in perceptions of red tape and inflexible personnel rules support the argument of public managers coping better with red tape and inflexible personnel rules than nonprofit managers because they have an expectation the administrative constraints exist in their organization.

In the following chapters, the hypotheses identified here in Chapter 5 and in Chapter 4 will be tested using the National Administrative Studies Project III (NASP III) data which surveyed nonprofit and public managers at the state level in Georgia and Illinois (National Administrative Studies Project III, n.d.). Before turning to the results and discussion of the analyses, the next chapter further describes the NASP III data and the methods used to test the hypotheses.

CHAPTER 6

DATA AND MODELS

DATA

For this analysis, I utilize the National Administrative Studies Project III (NASP III) data set. Administered in 2005 as the third phase of the National Administrative Studies Project, a survey was administered that collected information from public and nonprofit managers in Illinois and Georgia. When the survey closed in 2006, the project yielded a total of 1220 respondents of the 3157 public and nonprofit managers surveyed. Of the 1220 respondents, sixty-five percent of the respondents are managers in the public sector (Feeney, 2006). Subjects addressed in the survey instrument include but are not limited to the following: motivation, current work environment, organizational rules and procedures, and job history (National Administrative Studies Project, n.d.).

The NASP III data holds several advantages for an analysis of perceived red tape, the inflexibility of personnel rules, and sector comparisons. First, the data set surveys managers in both the public and nonprofit sectors. As previously described, studies comparing the public and nonprofit sectors are limited (Feeney & Rainey, 2010); thus, this data set holds the potential for making comparisons of managers in sectors that share the characteristic of being not for profit but differ on the characteristic of government ownership (Feeney & Rainey, 2010). Another advantage of NASP III is the potential to examine the motivations and behaviors of managers in two specific states—Georgia and Illinois. By conducting comparisons across two states with different civil service structures for public employees, conjectures can be made about the

implications that the findings hold when generalizing the findings to public employees serving under varying civil service systems.

While the potential to compare two states provides an advantage, it also presents a disadvantage. Due to state-specific challenges that may be occurring during the time period in which the information was collected (e.g., Feeney, 2006), some findings may be skewed to represent dissatisfaction with the changes. In other words, hostility towards state civil service structures and challenges may result in some of the responses being unnecessarily skewed thus affecting the results of this analysis. Another disadvantage of this data set is that a majority of the items on the survey require respondents to exercise recall or indicate perceptions. Thus, when working with and interpreting the information presented in the analysis from this study, the aforementioned disadvantages should be taken into consideration.

MODELS

Three analyses are used to test the previously defined hypotheses and the results of these analyses are provided in Chapter 7, Chapter 8, and Chapter 9. Each analysis builds upon one another, progressing to test the relationships presented in the following conceptual model. The following conceptual model illustrates how the perception of red tape and the inflexibility of personnel procedures influence manager perceptions of incentives to work hard, job satisfaction, and absenteeism.

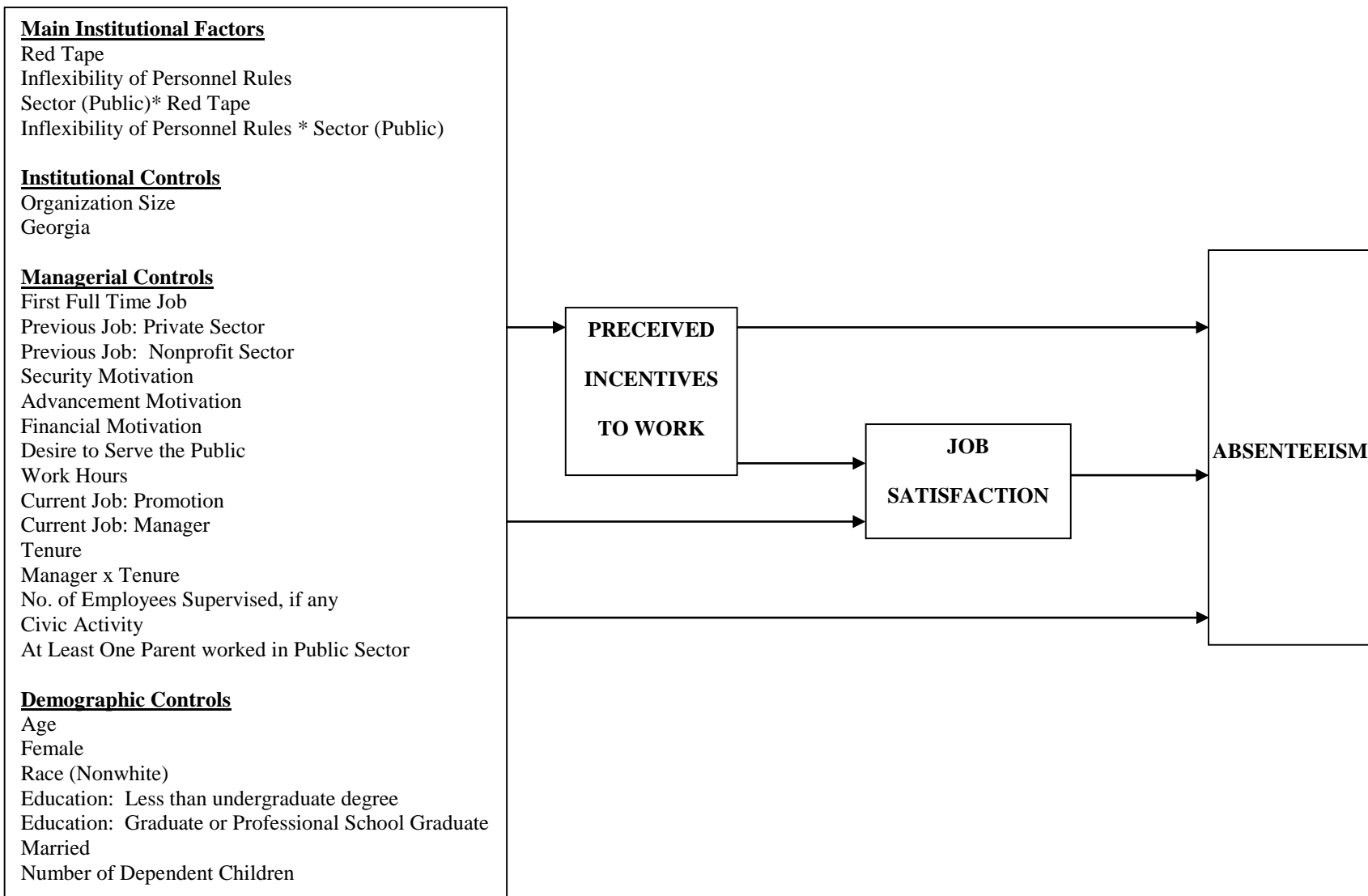


Figure 6-1. Conceptual Model

The variable categorization in the conceptual model above reflects the approach utilized by Word and Park (2009) in an analysis they conducted using NASP III to explore antecedents of work involvement. Word and Park (2009) highlight three categories of antecedents—demographic variables, managerial variables, and institutional factors. The models for this dissertation are displayed below.

| Table 6-1. Models | |
|---|--|
| Model 1: Perceived Incentives to Work Hard | $A_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$ |
| Model 2: Job Satisfaction | $A_2 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 A_1 + \varepsilon$ |
| Model 3: Absenteeism | $A_3 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 A_1 + \beta_5 A_2 + \varepsilon$ |
| Where, A_1 = Incentives to Work Hard A_2 = Job Satisfaction A_3 = Absenteeism X_1 = Main Institutional Factors X_2 = Institutional Controls X_3 = Managerial Controls X_4 = Demographic Controls | |

Because of the construction of the dependent variables, which is discussed in the next section, several methods are used in this dissertation—probit regressions and linear probability models for single item, binary variables of *incentives to work hard* and *job satisfaction* as well as ordinary least squares (OLS) for *absenteeism*.

OPERATIONALIZATION OF MAIN VARIABLES OF INTEREST

Dependent Variables. For the purposes of this study, I will be conducting three analyses examining three dependent variables regarding manager attitudes and behavior—(1) perceived incentives to work hard; (2) job satisfaction; (3) absenteeism. The first two dependent variables, *incentives to work hard* and *job satisfaction*, address manager attitudes. For these variables, a single item from the survey is used. For each item, the respondent was asked to rate his or her level of agreement or disagreement with a single statement using a 4-point likert scale ranging from 1 (strongly disagree) to 4 (strongly agree). For the purposes of this analysis, the variables

are recoded as binary variables with 1 being positive responses (strongly agree or agree somewhat) and 0 being negative responses (strongly disagree or disagree somewhat) with the following statements:

Incentives to Work Hard: There are incentives for me to work hard in my job.

Job Satisfaction: All in all, I am satisfied with my job.

The third dependent variable, *absenteeism*, addresses manager behavior. The survey instrument includes six items addressing absenteeism. Asking the respondent to recall information about the last twelve months, the survey asks the respondent to estimate the number of days he or she was absent for each of the following reasons: “you were sick, someone else in your household was sick, your spouse or partner was sick, you were on vacation, you took personal leave (e.g. dentist appointment, [and] you were not sick or on vacation, but you could not face working.” The measure is a summation of all six items. The measure for absenteeism here follows the measure developed and utilized by Feeney and Boardman (2011). Feeney and Boardman (2011) find no significant difference between the types of absenteeism recorded by the items included in this data; therefore, the authors employ a measure of absenteeism that is a summation of all six absenteeism items. Citing Brooke and Price (1989), VandenHeuvel (1993, 1994), and Wooden (1990), Feeney and Boardman (2011) further justify the use of this summative measure by stating the cited authors provide support for combining voluntary leave (ex. vacation leave, personal leave) and nonvoluntary leave (ex. sick leave) because sick leave is often used by employees for reasons other than being sick.

Main Institutional Factors. Several institutional factors will be included in this analysis including the two variables of interest for this proposed dissertation—*red tape* and the *inflexibility of personnel rules*. The measure used in this study for perceived organizational red

tape has been used in previous studies utilizing the NASP III data (e.g. Work & Park, 2009; Feeney & Rainey, 2010). Perceived organizational red tape is measured using the following response item which ranges in value from 0 (almost no red tape) to 10 (great deal of red tape): “If red tape is defined as “burdensome administrative rules and procedures that have negative effects on the organization’s effectiveness,” how would you assess the level of red tape in your organization?”

To construct the *inflexibility of personnel rules variable*, I will focus on the managers’ responses to three items included in the survey that are reflective of previous measures (e.g., Feeney & Rainey, 2010; Rainey, 1983). Responses to these items range from 1 (strongly disagree) to 4 (strongly agree). Utilizing the same technique as Feeney and Rainey (2010), a confirmatory factor analysis (Table 6-1) was performed for three items included in the summative index of the following three survey items to construct *inflexibility of personnel rules*:

- *Personnel Rules 1*: Because of the rules here, promotions are based mainly on performance. (Reversed)
- *Personnel Rules 2*: Even if a manager is a poor performer, formal rules make it hard to remove him or her from the organization.
- *Personnel Rules 3*: The formal pay structures and rules make it hard to reward a good employee with higher pay here.

As discussed above, differences between the public and nonprofit sectors have been observed in terms of motivation (Mirvis & Hackett, 1983) and differences in perceived levels of organizational red tape and the inflexibility of personnel procedures have been observed between the public and nonprofit sectors (Feeney & Rainey, 2010). Similarly, *sector* is hypothesized to be a distinctive factor revealing a relationship with all three dependent variables. *Sector* in this

analysis is measured with a dummy variable with 1 being that the manager works in the public sector and 0 being that the manager works in the nonprofit sector.

OPERATIONALIZING CONTROL VARIABLES

Three categories of control variables are utilized in this analysis—institutional controls, managerial controls, and demographic controls. This categorization reflects the categorization of variables utilized by Word and Park (2009). In their analysis, Word and Park (2009) examine the relationship between managerial variables, demographic characteristics, and institutional factors with job involvement. Job involvement being a work attitude that is motivation related (Rainey, 2009), the same categorization given to *incentives to work hard* and *job satisfaction* (Rainey, 2009); therefore, institutional controls, managerial controls, and demographic controls are given a similar consideration here. The conceptualizations of control variables are provided below.

Institutional Controls. Institutional controls include variables that are specific to an organization, including *organizational size* and the state in which the organization resides. *Organizational size*, as measured by Feeney and Rainey (2010), is measured by the number of full time employees that work for the organization. Lastly, for the state variable, managers in the state of Illinois will serve as the base category relative to managers in Georgia. The state variable is labeled *Georgia* in which respondents from Georgia are coded 1 and respondents from Illinois are coded 0.

Managerial Controls. In addition to institutional controls, managerial controls are also included in this analysis. The managerial control variables in this dissertation include *first full-time job*, *previous job: private sector*, *previous job: nonprofit sector*, *security motivation*, *advancement motivation*, *financial motivation*, *desire to serve the public motivation*, *work hours*,

current job: promotion, current job: manager position, tenure, an interaction term labeled manager x tenure, number of employees supervised, if any, civic activity, and having at least one parent who worked in the public sector for most of his or her career.

As mentioned in the previous chapter, a variation of Person-Environment (P-E) fit theory claims that perception matters in making decisions to join and stay with an organization (Schneider, 1987, 2001; Schneider et al., 1995 as cited in Leisink & Steijn, 2008). Building upon this idea, claims are made in this dissertation that perceptions about rules in the public and nonprofit sectors matter in making distinctions between the public and nonprofit sectors. Continuing with the idea that perception matters, eight variables capturing experience which can shape an individual's perception are included in this analysis: *first full-time job, previous job: private sector, previous job: nonprofit sector, current job is a promotion, current job is a manager position, tenure, an interaction term labeled manager x tenure, and having at least one parent who worked in the public sector for most of his or her career.* All but one of the measures for these variables are developed using manager responses to items on the survey indicating information about job history. *First full-time job, previous job in the private sector, previous job in the nonprofit sector, current job is a promotion, and current job is a manager position* are all binary variables coded 1 for "yes" and 0 for "no."² The conceptualization of the variable *previous job: private sector* and *previous job: nonprofit sector* follows the method utilized by Feeney and Rainey (2010). Citing the work of Boardman, Bozeman, and Ponomarev (2010), Feeney and Rainey (2010) state the work attitudes of public managers who have private sector experience is different those public managers who spent an entire career in the public sector. Feeney and Rainey (2010) also cite work by Feeney (2008) who find that public manager

² After examining the data, two observations are dropped because the respondents indicated that their previous job was both public and nonprofit.

perceptions of the public and nonprofit sectors is shaped by previous work in the private sector. Further, work behaviors and perceptions in one sector are affected by previous experiences had in another sector (Feeney as cited in Feeney & Rainey, 2010; De Graaf & van der Wal as cited in Feeney & Rainey, 2010). Following this same line of thinking, items capturing previous experience are included in this analysis. Items are included capturing the respondent's immediate previous job being held in the private and nonprofit sectors, using respondents' responses indicating immediate previous employment in the public sector as the base category. Similarly, the other items described here aim to capture elements of perception and exposure. These items were also used by Feeney and Rainey (2010) and for the sake of consistency are included here. The measures are developed using items from the section about a respondent's job history regarding *first full-time job*, *current job: promotion*, *current job: manager*, *tenure*, *manager x tenure*, and *number of employees supervised, if any*. The final managerial control variable aimed to capture elements of perception and exposure, *at least one parent worked in the public sector*, is coded 1 for "yes" and 0 for "no" in correspondence to the response to the following item: "At least one of my parents spent most of his or her career working in the public sector."

The managerial control variables aimed to capture elements of individual motivation are *security motivation*, *advancement motivation*, *financial motivation*, and *desire to serve the public motivation*.³ These items are reflective of motivation items employed by several studies utilizing NASP III (ex. Feeney & Boardman, 2011; Feeney & Rainey, 2010). The factor analysis of several items included in the portion of the survey referencing manager motivations for taking

³ In my prospectus, I proposed using intrinsic motivation and extrinsic motivation as utilized by Word and Park (2009). Because Word and Park (2009) utilize estimation techniques for missing values that are not utilized here, I was unable to replicate the factor loadings generated by the authors. Therefore, motivation variables utilized by Feeney and Rainey (2010) are used.

their current jobs. Using the motivation variables in this manner assumes that expressed motivations for taking a current job are reflective of the individual motivations that may be applied to other situations beyond that which the survey identifies (ex. Word & Park, 2009). In order to construct *security motivation* and *advancement motivation* according to the methods used by Feeney and Boardman (2011) and Feeney and Rainey (2010), I conduct a principal component factor analysis with one varimax rotation with normalization to extract factors. The items converged on two factors, and the results are similar to those found by Feeney and Rainey (2010). The following survey items are utilized in the factor analysis, and the factor loadings are found in Table 6-2.

- Opportunity for advancement within the organization's hierarchy
- Job security
- The organization's pension or retirement plan
- Benefits (medical, insurance)
- Few, if any, alternative job offers

Financial motivation and *desire to serve the public motivation* are also developed following the approach by Feeney and Rainey (2010) utilizing one item from the section referencing respondent's motivations for taking his or her current job. Each item is coded on a four point scale (4=very important; 3=somewhat important; 2=somewhat unimportant; 1=not important). For *financial motivation*, responses to the item "salary" are utilized. For *desire to serve the public motivation*, responses to the item "ability to serve the public and the public interest" are utilized.

The final two managerial controls, *work hours* and *civic activity*, for the sake of consistency with other authors using NASP III (ex. Feeney & Rainey, 2010; Ronquillo, 2011).

Work hours is a continuous variable reflecting the number of work hours the respondent indicated in response to the following item: During the typical work week, about how many hours do you work (including work done outside of office). Following methods utilized by Feeney and Rainey (2010), *civic activity* reflects the a respondent's involvement with organizations outside of work and a summative measure of eight dummy survey items listing types of non-work organizations that a respondent might potentially belong (1=yes; 0=no).

Demographic Controls. In order to control for characteristics that may be specific to a particular population, a series of demographic characteristics are controlled for in this analysis. The demographic characteristics included in this analysis are *age*, *female*, *race (nonwhite)*, *less than an undergraduate degree*, *graduated from a graduate or professional school*, *married*, and *number of dependent children*. *Age* is a continuous variable indicating the respondent's age. *Female* and *married* are coded 1 for "yes" and 0 for "no" for items the respondents reported about his or her gender (male or female) and whether the respondent is currently married or living with a domestic partner, respectively. *Number of dependent children* is a continuous variable indicating the number of dependent children the respondent reported on the survey instrument. Because the education variable is categorical, two dummy variables will be created for this analysis—*less than an undergraduate degree* and *graduated from a graduate or professional school*. With these two variables, the base category will be managers who indicated graduating with an undergraduate degree or attending but not graduating from a graduate or professional school as their highest level of education. Therefore, the education variables will be operationalized as follows:

- *Less than an Undergraduate Degree:* 1=(attended high school but did not graduate, high school graduate, and attended college, but did not graduate from a 4-year college); 0= otherwise
- *Graduated from a Graduate or Professional School:* 1=(graduated from a graduate or professional school [e.g., MBA, MPA, JD, MD]); 0=otherwise

CONCLUSION

In this chapter, I provided a description of the NASP III data that is utilized to analyze the previously defined hypotheses in Chapter 4 and Chapter 5. A series of probit regression models and linear probability models are used to analyze hypotheses corresponding to *incentives to work hard* and *job satisfaction*, and a series of OLS regression models are used to analyzed hypotheses corresponding to *absenteeism*. The results of these analyses are provided in the next few chapters; however, details about the variables included in the models are described in detail here in Chapter 6. The next chapter includes the results and discussion of analyses related to *incentives to work hard*.

Table 6-2. Principal Component Analysis for Inflexibility of Personnel Rules Items

| | |
|--|---------|
| <i>Personnel Rules 1:</i> Because of the rules here, promotions are based mainly on performance. (Reversed) | 0.4787 |
| <i>Personnel Rules 2:</i> Even if a manager is a poor performer, formal rules make it hard to remove him or her from the organization. | 0.6205 |
| <i>Personnel Rules 3:</i> The formal pay structures and rules make it hard to reward a good employee with higher pay here. | 0.6211 |
| Initial eigenvalue | 1.79407 |
| Cumulative % | 59.8 |

Table 6-3. Factor Analysis for Motivation Items

| | Security Motivation | Advancement Motivation |
|---|------------------------|---------------------------|
| Opportunity for advancement within the organization's hierarchy | 0.4287 | 0.6191 |
| Job security | 0.7627 | -0.0252 |
| The organization's pension or retirement plan | 0.8365 | 0.0777 |
| Desire for increased responsibility | -0.0133 | 0.8366 |
| Benefits (medical, insurance) | 0.8501 | 0.0738 |
| Few, if any, alternative job offers | 0.3894 | -0.415 |

Note: Replication of measures developed by Feeney and Rainey (2010). The are factors generated by principal component factor analysis and varimax rotation with Kaiser normalization. The dimensions in this factor represent 60.12% of the common variance as indicated in the initial correlation matrix.

Table 6-4. Correlation Matrix (Part 1)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| 1 Incentives to Work Hard | 1 | | | | | | | |
| 2 Job Satisfaction | 0.2696 | 1 | | | | | | |
| 3 Absenteeism | -0.0639 | -0.0021 | 1 | | | | | |
| 4 Red Tape | -0.3533 | -0.2859 | 0.0209 | 1 | | | | |
| 5 Inflexibility of Personnel Rules | -0.4746 | -0.2741 | 0.0763 | 0.6119 | 1 | | | |
| 6 Public | -0.3782 | -0.1344 | 0.0345 | 0.5275 | 0.6272 | 1 | | |
| 7 Red Tape x Public | -0.4129 | -0.2289 | 0.0213 | 0.7594 | 0.6523 | 0.8915 | 1 | |
| 8 Inflexibility of Personnel Rules x Sector | -0.4361 | -0.2025 | 0.0455 | 0.5702 | 0.7645 | 0.9594 | 0.9008 | 1 |
| 9 Organization Size | -0.1326 | -0.1365 | -0.0123 | 0.2824 | 0.2849 | 0.4283 | 0.4212 | 0.4180 |
| 10 Georgia | -0.0236 | 0.0415 | -0.1264 | -0.0275 | -0.0246 | 0.2953 | 0.1752 | 0.2068 |
| 11 First Full-time Job | 0.0060 | 0.0471 | -0.0147 | 0.0324 | 0.0441 | 0.1199 | 0.0881 | 0.1004 |
| 12 Previous Job: Private | 0.0287 | 0.0031 | 0.0339 | -0.0825 | -0.0642 | -0.2022 | -0.1739 | -0.1821 |
| 13 Previous Job: Nonprofit | 0.2661 | 0.0726 | -0.0399 | -0.3006 | -0.3932 | -0.5686 | -0.5048 | -0.5442 |
| 14 Security Motivation | -0.1143 | -0.0732 | 0.0027 | 0.3111 | 0.3262 | 0.3469 | 0.3252 | 0.3396 |
| 15 Advancement Motivation | 0.2017 | 0.0970 | -0.0345 | -0.1233 | -0.1464 | -0.1304 | -0.1510 | -0.1516 |
| 16 Financial Motivation | 0.0097 | -0.0392 | -0.0068 | 0.0693 | 0.0507 | -0.0282 | -0.0002 | -0.0157 |
| 17 Desire to serve the Public Motivation | 0.0711 | 0.0369 | -0.0392 | 0.0527 | 0.0142 | 0.1431 | 0.1019 | 0.1103 |
| 18 Work Hours | 0.1805 | 0.0819 | -0.1942 | -0.2162 | -0.3037 | -0.3464 | -0.3044 | -0.3400 |
| 19 Current Job: Promotion | -0.1119 | 0.0606 | 0.0012 | 0.1296 | 0.1133 | 0.2337 | 0.2050 | 0.1993 |
| 20 Current Job: Manager | 0.1204 | 0.0620 | -0.0695 | -0.1269 | -0.1718 | -0.1619 | -0.1520 | -0.1746 |
| 21 Tenure | 0.0068 | 0.0383 | 0.1115 | -0.0726 | -0.0040 | -0.0529 | -0.0429 | -0.0344 |
| 22 Manager x Tenure | 0.0504 | 0.0761 | 0.0304 | -0.1375 | -0.0896 | -0.1360 | -0.1252 | -0.1235 |
| 23 No. of Employees Supervised, if any | 0.1119 | 0.0410 | -0.0751 | -0.0211 | -0.0625 | 0.0448 | 0.0064 | 0.0169 |
| 24 Civic Activity | 0.0315 | 0.0613 | -0.0470 | -0.1440 | -0.1523 | -0.1080 | -0.1049 | -0.1142 |
| 25 At Least One Parent worked in Public Sector | -0.0658 | -0.0147 | 0.0376 | 0.0924 | 0.1459 | 0.1624 | 0.1622 | 0.1764 |
| 26 Age | 0.0774 | 0.0569 | 0.0158 | -0.0895 | -0.1045 | -0.0494 | -0.0547 | -0.0629 |
| 27 Female | 0.0574 | 0.0194 | 0.0688 | -0.0083 | 0.0035 | -0.0864 | -0.0827 | -0.0802 |
| 28 Race (Nonwhite) | 0.0118 | 0.0043 | 0.0411 | 0.0590 | 0.0793 | 0.1801 | 0.1205 | 0.1507 |
| 29 Education: Less than undergraduate degree | -0.0291 | 0.0345 | -0.0012 | 0.0253 | 0.0511 | 0.0677 | 0.0488 | 0.0584 |
| 30 Education: Graduate or Professional School Graduate | 0.0207 | -0.0425 | -0.0183 | -0.0055 | -0.0449 | -0.0778 | -0.0526 | -0.0670 |
| 31 Married | 0.0224 | 0.0563 | 0.0427 | -0.0612 | -0.0239 | 0.0209 | 0.0021 | 0.0105 |
| 32 Number of Dependent Children | 0.0433 | 0.0018 | 0.0261 | -0.0115 | 0.0120 | 0.0325 | 0.0321 | 0.0273 |

Table 6-4. Correlation Matrix (Part 2)

| | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| 1 Incentives to Work Hard | | | | | | | | |
| 2 Job Satisfaction | | | | | | | | |
| 3 Absenteeism | | | | | | | | |
| 4 Red Tape | | | | | | | | |
| 5 Inflexibility of Personnel Rules | | | | | | | | |
| 6 Public | | | | | | | | |
| 7 Red Tape x Public | | | | | | | | |
| 8 Inflexibility of Personnel Rules x Sector | | | | | | | | |
| 9 Organization Size | 1 | | | | | | | |
| 10 Georgia | 0.1677 | 1 | | | | | | |
| 11 First Full-time Job | -0.0440 | 0.0837 | 1 | | | | | |
| 12 Previous Job: Private | -0.1020 | -0.045 | -0.0258 | 1 | | | | |
| 13 Previous Job: Nonprofit | -0.2425 | -0.2058 | -0.0822 | -0.1937 | 1 | | | |
| 14 Security Motivation | 0.1756 | 0.0474 | 0.0511 | -0.1167 | -0.2169 | 1 | | |
| 15 Advancement Motivation | -0.0105 | 0.0134 | -0.0552 | -0.0402 | 0.0537 | 0.0099 | 1 | |
| 16 Financial Motivation | -0.0021 | -0.1384 | -0.0149 | -0.0170 | 0.0610 | 0.2902 | 0.1609 | 1 |
| 17 Desire to serve the Public Motivation | 0.1375 | 0.1206 | -0.0020 | -0.0394 | -0.1105 | 0.0233 | 0.1672 | -0.0016 |
| 18 Work Hours | -0.0208 | 0.0357 | -0.0716 | 0.0152 | 0.2233 | -0.2545 | 0.1005 | -0.0390 |
| 19 Current Job: Promotion | 0.0870 | 0.0481 | 0.0844 | -0.3014 | -0.2125 | 0.2386 | 0.0506 | -0.0069 |
| 20 Current Job: Manager | 0.0319 | -0.1251 | 0.0039 | -0.0349 | 0.0609 | -0.0635 | 0.1379 | 0.0105 |
| 21 Tenure | -0.0100 | -0.1253 | 0.0619 | 0.1505 | -0.0262 | -0.0188 | -0.0415 | -0.0438 |
| 22 Manager x Tenure | -0.0099 | -0.1356 | 0.0444 | 0.0928 | 0.0161 | -0.0579 | 0.0487 | -0.0053 |
| 23 No. of Employees Supervised, if any | 0.0417 | 0.0366 | -0.0013 | -0.0305 | -0.0205 | -0.0541 | 0.0139 | -0.1225 |
| 24 Civic Activity | -0.0162 | 0.0442 | -0.0108 | -0.0019 | 0.1069 | -0.1305 | 0.1209 | -0.0818 |
| 25 At Least One Parent worked in Public Sector | 0.0939 | 0.0619 | 0.0500 | -0.0621 | -0.1285 | 0.0733 | -0.0054 | 0.0161 |
| 26 Age | 0.0849 | -0.1011 | -0.0577 | 0.0307 | 0.0678 | -0.0816 | -0.0957 | -0.0808 |
| 27 Female | 0.0460 | -0.0668 | -0.0509 | -0.0425 | 0.0775 | 0.0420 | 0.0828 | 0.1271 |
| 28 Race (Nonwhite) | 0.1641 | 0.0782 | 0.0294 | -0.0564 | -0.1040 | 0.1410 | 0.0501 | 0.0189 |
| 29 Education: Less than undergraduate degree | -0.0499 | 0.0156 | 0.0569 | -0.0012 | -0.0172 | 0.1465 | -0.0311 | 0.1146 |
| 30 Education: Graduate or Professional School Graduate | 0.0448 | -0.0697 | -0.0659 | -0.0000 | 0.0725 | -0.1618 | -0.0212 | -0.0391 |
| 31 Married | -0.0007 | 0.0071 | 0.0138 | 0.0253 | -0.0312 | -0.0441 | 0.0091 | -0.0239 |
| 32 Number of Dependent Children | -0.0612 | -0.0333 | 0.0187 | -0.0334 | -0.0176 | 0.0225 | 0.0679 | 0.0353 |

Table 6-4. Correlation Matrix (Part 3)

| | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1 Incentives to Work Hard | | | | | | | | | |
| 2 Job Satisfaction | | | | | | | | | |
| 3 Absenteeism | | | | | | | | | |
| 4 Red Tape | | | | | | | | | |
| 5 Inflexibility of Personnel Rules | | | | | | | | | |
| 6 Public | | | | | | | | | |
| 7 Red Tape x Public | | | | | | | | | |
| 8 Inflexibility of Personnel Rules x Sector | | | | | | | | | |
| 9 Organization Size | | | | | | | | | |
| 10 Georgia | | | | | | | | | |
| 11 First Full-time Job | | | | | | | | | |
| 12 Previous Job: Private | | | | | | | | | |
| 13 Previous Job: Nonprofit | | | | | | | | | |
| 14 Security Motivation | | | | | | | | | |
| 15 Advancement Motivation | | | | | | | | | |
| 16 Financial Motivation | | | | | | | | | |
| 17 Desire to serve the Public Motivation | 1 | | | | | | | | |
| 18 Work Hours | 0.0831 | 1 | | | | | | | |
| 19 Current Job: Promotion | -0.0400 | -0.0790 | 1 | | | | | | |
| 20 Current Job: Manager | 0.0097 | 0.2276 | 0.1768 | 1 | | | | | |
| 21 Tenure | 0.0011 | -0.0261 | 0.0302 | 0.0152 | 1 | | | | |
| 22 Manager x Tenure | -0.0029 | 0.1221 | 0.1111 | 0.4911 | 0.7854 | 1 | | | |
| 23 No. of Employees Supervised, if any | 0.0481 | 0.1183 | 0.0771 | 0.1235 | -0.0040 | 0.0561 | 1 | | |
| 24 Civic Activity | 0.1177 | 0.2006 | -0.0773 | 0.0399 | -0.0101 | 0.0180 | 0.0053 | 1 | |
| 25 At Least One Parent worked in Public Sector | 0.0035 | -0.0429 | 0.0652 | -0.0448 | -0.0153 | -0.0341 | 0.0155 | -0.0152 | 1 |
| 26 Age | 0.0611 | 0.1456 | -0.0444 | 0.1703 | 0.3459 | 0.3502 | 0.0760 | 0.0624 | -0.0681 |
| 27 Female | 0.0219 | -0.0524 | 0.0038 | 0.0149 | -0.1170 | -0.0779 | -0.1042 | -0.1389 | 0.0428 |
| 28 Race (Nonwhite) | 0.1108 | -0.0205 | 0.0533 | -0.0266 | -0.0814 | -0.0669 | 0.0055 | 0.0397 | 0.1258 |
| 29 Education: Less than undergraduate degree | -0.0407 | -0.0730 | 0.0726 | 0.0263 | -0.0054 | -0.0015 | 0.0504 | -0.0828 | 0.0710 |
| Education: Graduate or Professional School | | | | | | | | | |
| 30 Graduate | 0.0679 | 0.0955 | -0.1096 | 0.0022 | 0.0768 | 0.0816 | -0.0153 | 0.0372 | -0.0354 |
| 31 Married | -0.0114 | 0.0141 | 0.0477 | 0.0446 | 0.1019 | 0.0823 | 0.0551 | 0.1998 | -0.0691 |
| 32 Number of Dependent Children | -0.0208 | -0.0585 | 0.0230 | -0.0446 | -0.0732 | -0.1143 | 0.0073 | 0.2788 | 0.0434 |

Table 6-4. Correlation Matrix (Part 4)

| | 26 | 27 | 28 | 29 | 30 | 31 | 32 |
|--|---------|---------|---------|---------|---------|--------|----|
| 1 Incentives to Work Hard | | | | | | | |
| 2 Job Satisfaction | | | | | | | |
| 3 Absenteeism | | | | | | | |
| 4 Red Tape | | | | | | | |
| 5 Inflexibility of Personnel Rules | | | | | | | |
| 6 Public | | | | | | | |
| 7 Red Tape x Public | | | | | | | |
| 8 Inflexibility of Personnel Rules x Sector | | | | | | | |
| 9 Organization Size | | | | | | | |
| 10 Georgia | | | | | | | |
| 11 First Full-time Job | | | | | | | |
| 12 Previous Job: Private | | | | | | | |
| 13 Previous Job: Nonprofit | | | | | | | |
| 14 Security Motivation | | | | | | | |
| 15 Advancement Motivation | | | | | | | |
| 16 Financial Motivation | | | | | | | |
| 17 Desire to serve the Public Motivation | | | | | | | |
| 18 Work Hours | | | | | | | |
| 19 Current Job: Promotion | | | | | | | |
| 20 Current Job: Manager | | | | | | | |
| 21 Tenure | | | | | | | |
| 22 Manager x Tenure | | | | | | | |
| 23 No. of Employees Supervised, if any | | | | | | | |
| 24 Civic Activity | | | | | | | |
| 25 At Least One Parent worked in Public Sector | | | | | | | |
| 26 Age | 1 | | | | | | |
| 27 Female | -0.1370 | 1 | | | | | |
| 28 Race (Nonwhite) | -0.0543 | 0.0669 | 1 | | | | |
| 29 Education: Less than undergraduate degree | 0.0396 | 0.1062 | -0.0434 | 1 | | | |
| 30 Education: Graduate or Professional School Graduate | 0.1018 | -0.0516 | 0.0180 | -0.3403 | 1 | | |
| 31 Married | 0.0612 | -0.2937 | -0.0752 | -0.0028 | 0.0532 | 1 | |
| 32 Number of Dependent Children | -0.2654 | -0.1836 | 0.0326 | -0.0656 | -0.0492 | 0.2502 | 1 |

Table 6-5. Descriptive Statistics

| | N | Mean | SD | Min | Max |
|---|----------|-------------|-----------|------------|------------|
| Incentives to Work Hard | 1206 | 0.45 | 0.50 | 0 | 1 |
| Job Satisfaction | 1205 | 0.88 | 0.32 | 0 | 1 |
| Absenteeism | 1217 | 19.53 | 14.17 | 0 | 173 |
| Red Tape | 1191 | 6.03 | 2.68 | 0 | 10 |
| Inflexibility of Personnel Rules | 1189 | 8.46 | 2.33 | 3 | 12 |
| Public | 1218 | 0.65 | 0.48 | 0 | 1 |
| Red Tape x Public | 1191 | 4.59 | 3.78 | 0 | 10 |
| Inflexibility of Personnel Rules x Public | 1189 | 6.24 | 4.71 | 0 | 12 |
| Organization Size | 1123 | 3531.64 | 5706.45 | 1 | 18700 |
| Georgia | 1218 | 0.44 | 0.50 | 0 | 1 |
| First Full-Time Job | 1190 | 0.10 | 0.30 | 0 | 1 |
| Previous Job: Private Sector | 1209 | 0.16 | 0.37 | 0 | 1 |
| Previous Job: Nonprofit Sector | 1209 | 0.19 | 0.39 | 0 | 1 |
| Security Motivation | 1175 | 0.00 | 1 | -3.15 | 1.61 |
| Advancement Motivation | 1175 | 0.00 | 1 | -3.34 | 1.69 |
| Financial Motivation | 1199 | 3.28 | 0.73 | 1 | 4 |
| Desire to Serve the Public Motivation | 1197 | 3.16 | 0.91 | 1 | 4 |
| Work Hours | 1194 | 46.98 | 7.79 | 20 | 90 |
| Current Job: Promotion | 1217 | 0.47 | 0.50 | 0 | 1 |
| Current Job: Manager | 1217 | 0.71 | 0.46 | 0 | 1 |
| Tenure | 1155 | 7.62 | 6.49 | 0 | 39 |
| Manager x Tenure | 1155 | 5.52 | 6.59 | 0 | 39 |
| No. of Employees Supervised, if any | 1055 | 21.14 | 73.15 | 0 | 1200 |
| Civic Activity | 1218 | 2.57 | 1.44 | 0 | 8 |
| At Least One Parent worked in Public Sector | 1217 | 0.29 | 0.45 | 0 | 1 |
| Age | 1202 | 49.43 | 8.91 | 23 | 81 |
| Female | 1206 | 0.45 | 0.50 | 0 | 1 |
| Race (Nonwhite) | 1169 | 0.14 | 0.35 | 0 | 1 |
| Education: Less than undergraduate degree | 1202 | 0.14 | 0.34 | 0 | 1 |
| Education: Graduate or Professional School Graduate | 1202 | 0.45 | 0.50 | 0 | 1 |
| Married | 1205 | 0.79 | 0.41 | 0 | 1 |
| Number of Dependent Children | 1193 | 0.96 | 1.19 | 0 | 14 |

CHAPTER 7

RESULTS: INCENTIVES TO WORK HARD

INCENTIVES TO WORK HARD

To gain a greater understanding about the relationship between administrative constraints—*red tape* and *inflexibility of personnel rules*—with *incentives to work hard*, in this chapter I report the results of a series of probit regression models and linear probability models. The dependent variable of interest, *incentives to work hard*, is coded as a binary variable (1=strongly agree or agree somewhat; 0= strongly disagree or disagree somewhat). Using a probit regression analysis will provide insight into the likelihood that a respondent would report a positive response (or response of agreement) with the statement “There are incentives for me to work hard in my job.” Two linear probability models (LPMs) are also included, one of which aids in interpretation of the interaction terms. The LPMs are similar to the probit regression models providing evidence of changes in probability that a respondent will provide a positive response to *incentives to work hard*. Of the 1206 respondents who responded to the item, 454 (45.19%) indicated a positive (or response of agreement) with the item.

The results of four probit models are presented in the tables following this chapter: (1) Model 1 (Table 7-1, public sector sample, n=566); (2) Model 2 (Table 7-2, nonprofit sector sample, n=272); (3) Model 3 (Table 7-3, public and nonprofit full sample controlling for sector, n=838); and (4) Model 4 (Table 7-4, public and nonprofit full sample including administrative

constraint and sector interaction terms, n=838).⁴⁵ The sample size for the full sample analyzed is 838—566 public sector respondents and 272 nonprofit sector respondents. Utilizing this approach provides several perspectives for viewing the relationship between the administrative constraint variables of interest—*red tape* and *inflexibility of personnel rules*—and *incentives to work hard*. The likelihood ratio chi-squared tests for each of the models is statistically significant ($p < 0.001$). The pseudo R-squared coefficients for the models are modest: 0.19 (Table 7-1, Model 1: public sector); 0.23 (Table 7-2, Model 2: nonprofit sector); 0.26 (Table 7-3, Model 3: public and nonprofit controlling for sector); and 0.26 (Table 7-4, Model 4: public and nonprofit including administrative constraint and sector interaction terms).

ADMINISTRATIVE CONSTRAINTS AND SECTOR

In reviewing the results, I first turn my attention to the probit models (Table 7-1, Model 1; Table 7-2, Model 2; Table 7-3, Model 3, and Table 7-4, Model 4) examining the results for the administrative constraint variables of interest—*red tape* and *inflexibility of personnel rules*. Among the administrative constraint variables, *inflexibility of personnel rules* is consistently negative and significant ($p < 0.01$) across all four models; therefore, as *inflexibility of personnel rules* increases, the likelihood of a positive response to *incentives to work hard* decreases, providing support for H₂.

⁴ The model of work motivation in the public sector developed by Wright (2001) conceptualizes the relationship between sector and job satisfaction to be mediated by organizational context variables. This theory is tested by Chen (2011) with a dependent variable of positive work attitudes which includes the item used to measure job satisfaction in this analysis; however, this analysis incorporates the use of additional independent variables, uses job satisfaction as a single item, uses different statistical modeling techniques, and observes the role of administrative constraint and sector interaction terms.

⁵ Using STATA 10, a variance inflation factor (VIF) is executed with the variables after a regression command. For Model 1 and Model 3, VIFs did not exceed 10. However, in Model 2, the VIF scores for manager x tenure (14.19) and tenure (11.63) exceeded 10. Because these variables are involved in an interaction, the high VIFs are taken with caution. Similarly, in Model 4, VIFs for red tape x public (14.75), public (24.53), and inflexibility of personnel rules x public (36.74) exceed 10. Again, because these variables are involved in an interaction, the high VIFs are taken with caution.

The results for *red tape*, however, are not consistent across all four models. When observing subsamples of public and nonprofit respondents, *red tape* is negative and significantly associated ($p < 0.10$) with the likelihood of responding positively to *incentives to work hard* for public respondents; whereas, *red tape* is not significant for nonprofit respondents. Therefore, evidence presented in the sector specific models only provide partial support for H_1 , which hypothesizes a negative association between *red tape* and *incentives to work hard*.

However, when observing the full model of public and nonprofit respondents and controlling for sector (Table 7-3, Model 3), both *red tape* ($p < 0.10$) and *inflexibility of personnel rules* ($p < 0.01$) are negative and significantly associated with the likelihood the respondent reports a positive response to *incentives to work hard* being present in his or her job. This finding supports the conjecture of negative associations between administrative constraints variables and *incentives to work hard* are discussed in Chapter 4. Additionally, in the full model (Table 7-3, Model 3), *public* is negative and statistically significant ($p < 0.05$); thus, being in the public sector decreases the probability that the respondent reports a positive response for *incentives to work hard*.

To further the examine the relationship of administrative constraints and sector with *incentives to work hard*, Model 4 (Table 7-4) examines the combined sample of public sector and nonprofit sector respondents and includes interaction terms for the administrative constraints and sector variables—*red tape* \times *public* and *inflexibility of personnel rules* \times *public*. However, interaction terms in probit regression models are challenging to interpret and the direction, significance, and magnitude have the potential of being different than what is produced by running a probit regression in a statistics program (Ai & Norton, 2003)⁶. Therefore, following

⁶STATA 10 is used for this dissertation.

the methods utilized by Grissom (2012), linear probability models (LPMs) are generated to aid in interpretation of the interaction terms, *red tape x public* and *inflexibility of personnel rules x public*.⁷

The LPM results for Model 5 and Model 6 are in Table 7-5 mirroring the variables utilized in Model 3 (Table 7-3) and Model 4 (Table 7-4), respectively. The results of the full sample models with public and nonprofit respondents are provided in Table 7-3, Table 7-4 and Table 7-5 at the end of this chapter. Although the results of the probit regression models for the sample of public and nonprofit respondents are provided in Table 7-3 (Model 3: sample of public and nonprofit respondents controlling for sector) and Table 7-4 (Model 4: sample of public and nonprofit respondents including interaction terms for administrative constraints and sector), only results of the LPMs (Table 7-5, Model 5 and Model 6) are discussed here because of the reasons mentioned above regarding the interpretation of interaction terms in probit regression models.

Like Model 3 (Table 7-3), Model 5 (Table 7-5) utilizes the full sample of public sector and nonprofit sector respondents controlling for sector and provides support for an observed difference between sectors. As in Model 3, Model 5 provides support for H₁ providing evidence of a negative and significant association between *red tape* ($p < 0.05$) and the *incentives to work hard* as well as *inflexibility of personnel rules* ($p < 0.01$) and the *incentives to work hard*. Also in Model 5 (Table 8-5), *public* is negative and significant ($p < 0.05$) indicating that the probability of a respondent providing a positive response to *incentives to work hard* is lower if the respondent is employed in the public sector. Further examining the role of sector distinction,

⁷ Using STATA 10, a variance inflation factor (VIF) is executed with the variables after a regression command. For Model 5, VIFs did not exceed 10. However, in Model 6, VIFs for *red tape x public* (14.75), *public* (24.53), and *inflexibility of personnel rules x public* (36.74) exceed 10. Because these variables are involved in an interaction, the high VIFs are taken with caution. Additionally a specification test was performed which indicated no additional independent variables are omitted except by chance and provided support for the specification of the dependent variable.

Model 6 includes interaction terms for *red tape x public* and *inflexibility of personnel rules x public*; however, in Model 6, neither interaction term is significant. Therefore, while Model 3 and Model 5 offer evidence for a difference between sectors in responding to whether incentives to work hard are present in his or her job, Model 6 does not provide support for the sector moderating the relationship between administrative constraints and *incentives to work hard*.

CONTROL VARIABLES

Among the control variables included in the model, different controls were significant for the public respondent sample (Table 7-1, Model 1) relative to the nonprofit respondent sample (Table 7-2, Model 2). While none of the institutional control variables are significant in the public sector model (Table 7-1, Model 1), *organization size* is positive and significant ($p < 0.05$) in the nonprofit sector model. Of the managerial control variables, the motivation related variables and two current job characteristics provided evidence of a significant relationship with the likelihood of providing a positive response to *incentives to work hard*. For the public sector sample (Table 7-1, Model 1), *advancement motivation* ($p < 0.01$) and *desire to serve the public motivation* ($p < 0.05$) are positive and significant. For nonprofit respondents, a different motivation variable is significant. *Security motivation* ($p < 0.01$) is positive and significant for the nonprofit sector sample (Table 7-2, Model 2).

The models also provide some evidence of significant relationships between several current job characteristics and *incentives to work hard*. Three current job characteristics—*current job: promotion* ($p < 0.10$), *manager x tenure* ($p < 0.10$), and *number of employees supervised, if any* ($p < 0.01$)—are significant for the public sector (Table 7-1, Model 1) while no additional managerial controls are significant for the nonprofit sector sample (Table 7-2, Model 2). For the public sector sample (Table 7-1, Model 1), *current job: promotion* and *manager x*

tenure are negatively associated with the *incentives to work hard* while *number of employees supervised, if any* is positively associated with the *incentives to work hard*. The final significant managerial control is *civic activity*. *Civic activity* is negatively and significantly ($p < 0.05$) associated with the likelihood of providing a positive response to *incentives to work hard* for both the public (Table 7-1, Model 1) and nonprofit samples (Table 7-2, Model 2).

Of the demographic control variables, two controls are significant when examining the separate sector models in Model 1 (Table 7-1) and Model 2 (Table 7-2), both of which are significant only in the nonprofit model (Table 7-2, Model 2). *Number of dependent children* is significant ($p < 0.05$) and positive for the nonprofit sector respondents in Model 2 (Table 7-2). Additionally, *age* is significant ($p < 0.10$) and positively associated with the likelihood of a nonprofit respondent providing a positive response to *incentives to work hard*. Several of the relationships indicated regarding the control variables carry over into the combined public sector and nonprofit sector models in Model 3 (Table 7-3), Model 4 (Table 7-4), Model 5 (Table 7-5), and Model 6 (Table 7-5). Because the main focus of interpretation for models with both public and nonprofit respondents is focused on the LPMs in Model 5 and Model 6 (Table 7-5), the results of the control variables for those two models are reported here.

Several managerial controls are significant for the combined sample models including *first full-time job*, *security motivation*, *advancement motivation*, *desire to serve the public motivation*, *current job: promotion*, *number of employees supervised, if any*, and *civic activity*. As found in the public sector model (Table 7-1, Model 1) *advancement motivation* ($p < 0.01$), *desire to serve the public motivation* ($p < 0.05$), and *number of employees supervised, if any* ($p < 0.01$) are significant and positively associated with the *incentives to work hard*, and *current job: promotion* ($p < 0.05$ in Model 6; $p < 0.10$ in Model 5) is significant and negatively associated

with the probability of providing a positive response to *incentives to work hard* in both models that include both public and nonprofit sector respondents. Similarly, as found in the nonprofit sector sample model (Table 7-2, Model 2), *security motivation* ($p < 0.05$), *age* ($p < 0.05$) and *number of dependent children* ($p < 0.01$) are significant and positively associated with the *incentives to work hard* in both models (Model 5 and Model 6) using the full sample of public and nonprofit respondents. Additionally, *civic activity* is also significant in the combined models ($p < 0.01$) and possesses the negative association which is the same as in the analyses performed for the public sector (Table 7-1, Model 1) and nonprofit sectors (Table 7-2, Model 2) independently.

Lastly, two control variables are found to be significant in the combined public and nonprofit sector models (Table 7-5, Model 5 and Model 6) that are not significant in the significant in Model 1 (Table 7-1) or in Model 2 (Table 7-2). *First full-time job* ($p < 0.10$) and *female* ($p < 0.10$) are both positive and significantly associated with the probability a respondent will provide a positive response to *incentives to work hard* in the combined public and nonprofit sector models.

CONCLUSION

In this chapter, the results of four probit regression models and two linear probability models are provided to examine the relationship of administrative constraints and sector with *incentives to work hard*. Although the evidence provided supports a negative relationship between *inflexibility of personnel rules* and the probability of providing a positive response to *incentives to work hard*, the analysis provides mixed results for *red tape*. The hypotheses for *red tape* are only supported in the public sector model (Table 7-1, Model 1) and combined public sector and nonprofit sector model without interaction terms for administrative constraints and

sector (Table 7-5, Model 5). As for sector differences, evidence of sector distinction is supported for the role of *red tape* in relation to *incentives to work hard* in public and nonprofit organizations. Red tape is significant for the public sample (Table 7-1, Model 1) but insignificant for the nonprofit sample (Table 7-2, Model 2); however, sector and corresponding administrative constraint and sector interaction terms are insignificant in the LPM including the interaction terms (Table 7-5, Model 6). Therefore, no support was found for the hypotheses outlined in Chapter 5 regarding sector as a moderator between administrative constraint variables and perceived incentives to work hard.

In the next chapter, the analysis is extended utilizing a similar approach to examine the relationship of administrative constraints and sector with job satisfaction. The results and discussion of probit regressions and linear probability models for job satisfaction utilizing NASP III are discussed in the next chapter.

**Table 7-1. Model 1: Probit Regression of Incentive to Work Hard
Sample of Public Respondents**

| Dependent Variable: | Beta | Standard | Marginal |
|---|--------------------|--------------|-------------------|
| Incentives to Work Hard | Coefficient | Error | Effects |
| Red Tape | -0.0600* | (0.0319) | -0.0200* |
| Inflexibility of Personnel Rules | -0.2737*** | (0.0459) | -0.0912*** |
| Public | | | |
| Red Tape x Public | | | |
| Inflexibility of Personnel Rules x Public | | | |
| Organization Size | 0.0000 | (0.0000) | 0.0000 |
| Georgia | 0.0457 | (0.1421) | 0.0152 |
| First Full-Time Job | 0.2649 | (0.1787) | 0.0930 |
| Previous Job: Private Sector | -0.0089 | (0.2288) | -0.0030 |
| Previous Job: Nonprofit Sector | -0.1469 | (0.3719) | -0.0469 |
| Security Motivation | 0.0210 | (0.0797) | 0.0070 |
| Advancement Motivation | 0.1874*** | (0.0689) | 0.0625*** |
| Financial Motivation | 0.0649 | (0.1023) | 0.0216 |
| Desire to Serve the Public Motivation | 0.2274** | (0.0892) | 0.0758** |
| Work Hours | -0.0017 | (0.0105) | -0.0006 |
| Current Job: Promotion | -0.2782* | (0.1441) | -0.0942* |
| Current Job: Manager | 0.2772 | (0.2235) | 0.0888 |
| Tenure | 0.0268 | (0.0205) | 0.0089 |
| Manager x Tenure | -0.0406* | (0.0228) | -0.0135* |
| No. of Employees Supervised, if any | 0.0039*** | (0.0012) | 0.0013*** |
| Civic Activity | -0.1194** | (0.0469) | -0.0398** |
| At Least One Parent worked in Public Sector | 0.1183 | (0.1305) | 0.0399 |
| Age | 0.0074 | (0.0085) | 0.0025 |
| Female | 0.1684 | (0.1340) | 0.0566 |
| Race (Nonwhite) | 0.2155 | (0.1595) | 0.0746 |
| Education: Less than undergraduate degree | -0.1761 | (0.1924) | -0.0564 |
| Education: Graduate or Professional School Graduate | 0.0253 | (0.1349) | 0.0084 |
| Married | 0.1770 | (0.1648) | 0.0571 |
| Number of Dependent Children | 0.0837 | (0.0630) | 0.0279 |
| Constant | 0.9608 | (0.8980) | |
| <hr/> | | | |
| Observations | | | 566 |
| Wald Chi-squared | | | 132.92*** |
| Pseudo R-squared | | | 0.1899 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 7-2. Model 2: Probit Regression of Incentive to Work Hard
Sample of Nonprofit Respondents**

| Dependent Variable: | Beta | Standard | Marginal |
|---|-------------------|----------|-------------------|
| Incentives to Work Hard | Coefficient | Error | Effects |
| Red Tape | -0.0476 | (0.0457) | -0.0136 |
| Inflexibility of Personnel Rules | -0.2902*** | (0.0600) | -0.0829*** |
| Public | | | |
| Red Tape x Public | | | |
| Inflexibility of Personnel Rules x Public | | | |
| Organization Size | 0.0021** | (0.0009) | 0.0006** |
| Georgia | -0.0323 | (0.2523) | -0.0093 |
| First Full-Time Job | 0.5457 | (0.4780) | 0.1241 |
| Previous Job: Private Sector | -0.2303 | (0.2836) | -0.0689 |
| Previous Job: Nonprofit Sector | 0.2775 | (0.2402) | 0.0793 |
| Security Motivation | 0.3616*** | (0.1091) | 0.1033*** |
| Advancement Motivation | 0.1345 | (0.1043) | 0.0384 |
| Financial Motivation | -0.1389 | (0.1398) | -0.0397 |
| Desire to Serve the Public Motivation | 0.0626 | (0.0943) | 0.0179 |
| Work Hours | 0.0124 | (0.0121) | 0.0035 |
| Current Job: Promotion | -0.2783 | (0.2215) | -0.0819 |
| Current Job: Manager | -0.1868 | (0.4292) | -0.0504 |
| Tenure | -0.0375 | (0.0456) | -0.0107 |
| Manager x Tenure | 0.0510 | (0.0494) | 0.0146 |
| No. of Employees Supervised, if any | 0.0096 | (0.0064) | 0.0027 |
| Civic Activity | -0.1639** | (0.0815) | -0.0469** |
| At Least One Parent worked in Public Sector | -0.1381 | (0.2428) | -0.0408 |
| Age | 0.0226* | (0.0126) | 0.0065* |
| Female | 0.3668 | (0.2275) | 0.1047 |
| Race (Nonwhite) | -0.1496 | (0.4154) | -0.0451 |
| Education: Less than undergraduate degree | 0.3771 | (0.3729) | 0.0940 |
| Education: Graduate or Professional School Graduate | -0.2357 | (0.2076) | -0.0674 |
| Married | 0.1324 | (0.2506) | 0.0389 |
| Number of Dependent Children | 0.2209** | (0.1102) | 0.0631** |
| Constant | 1.3397 | (1.1694) | |
| <hr/> | | | |
| Observations | | | 272 |
| Wald Chi-squared | | | 76.81*** |
| Pseudo R-squared | | | 0.2343 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 7-3. Model 3: Probit Regression of Incentive to Work Hard
Sample of Public and Nonprofit Respondents without Interaction Terms**

| Dependent Variable: | Beta | Standard | Marginal |
|---|--------------------|--------------|-------------------|
| Incentives to Work Hard | Coefficient | Error | Effects |
| Red Tape | -0.0406* | (0.0246) | -0.0159* |
| Inflexibility of Personnel Rules | -0.2486*** | (0.0340) | -0.0976*** |
| Public | -0.4411** | (0.1884) | -0.1737** |
| Red Tape x Public | | | |
| Inflexibility of Personnel Rules x Public | | | |
| Organization Size | 0.0000 | (0.0000) | 0.0000 |
| Georgia | 0.0330 | (0.1164) | 0.0130 |
| First Full-Time Job | 0.2957* | (0.1613) | 0.1173* |
| Previous Job: Private Sector | -0.0551 | (0.1710) | -0.0216 |
| Previous Job: Nonprofit Sector | 0.2209 | (0.1755) | 0.0874 |
| Security Motivation | 0.1504** | (0.0621) | 0.0591** |
| Advancement Motivation | 0.2004*** | (0.0554) | 0.0787*** |
| Financial Motivation | -0.0215 | (0.0797) | -0.0084 |
| Desire to Serve the Public Motivation | 0.1610*** | (0.0605) | 0.0632*** |
| Work Hours | 0.0033 | (0.0076) | 0.0013 |
| Current Job: Promotion | -0.2437** | (0.1155) | -0.0956** |
| Current Job: Manager | 0.1734 | (0.1912) | 0.0674 |
| Tenure | 0.0153 | (0.0180) | 0.0060 |
| Manager x Tenure | -0.0223 | (0.0197) | -0.0087 |
| No. of Employees Supervised, if any | 0.0039*** | (0.0012) | 0.0015*** |
| Civic Activity | -0.1169*** | (0.0389) | -0.0459*** |
| At Least One Parent worked in Public Sector | 0.0392 | (0.1116) | 0.0154 |
| Age | 0.0139** | (0.0068) | 0.0054** |
| Female | 0.2215** | (0.1110) | 0.0870** |
| Race (Nonwhite) | 0.1914 | (0.1451) | 0.0758 |
| Education: Less than undergraduate degree | -0.0668 | (0.1615) | -0.0261 |
| Education: Graduate or Professional School Graduate | -0.0095 | (0.1089) | -0.0037 |
| Married | 0.1189 | (0.1330) | 0.0463 |
| Number of Dependent Children | 0.1335** | (0.0521) | 0.0524** |
| Constant | 0.9914 | (0.6739) | |
| <hr/> | | | |
| Observations | | | 838 |
| Wald Chi-squared | | | 296.72*** |
| Pseudo R-squared | | | 0.2582 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 7-4. Model 4: Probit Regression of Incentive to Work Hard
Sample of Public and Nonprofit Respondents with Interaction Terms**

| Dependent Variable: | Beta | Standard | Marginal |
|---|-------------------|----------|-------------------|
| Incentives to Work Hard | Coefficient | Error | Effects |
| Red Tape | -0.0159 | (0.0394) | -0.0062 |
| Inflexibility of Personnel Rules | -0.2277*** | (0.0518) | -0.0892*** |
| Public | 0.1858 | (0.5429) | 0.0722 |
| Red Tape x Public | -0.0448 | (0.0498) | -0.0176 |
| Inflexibility of Personnel Rules x Public | -0.0446 | (0.0675) | -0.0175 |
| Organization Size | 0.0000 | (0.0000) | 0.0000 |
| Georgia | 0.0070 | (0.1181) | 0.0028 |
| First Full-Time Job | 0.2910* | (0.1617) | 0.1154* |
| Previous Job: Private Sector | -0.0620 | (0.1709) | -0.0242 |
| Previous Job: Nonprofit Sector | 0.2203 | (0.1744) | 0.0871 |
| Security Motivation | 0.1390** | (0.0626) | 0.0545** |
| Advancement Motivation | 0.1970*** | (0.0553) | 0.0772*** |
| Financial Motivation | -0.0174 | (0.0797) | -0.0068 |
| Desire to Serve the Public Motivation | 0.1571*** | (0.0606) | 0.0616*** |
| Work Hours | 0.0038 | (0.0076) | 0.0015 |
| Current Job: Promotion | -0.2497** | (0.1160) | -0.0978** |
| Current Job: Manager | 0.1657 | (0.1918) | 0.0643 |
| Tenure | 0.0152 | (0.0181) | 0.0060 |
| Manager x Tenure | -0.0213 | (0.0198) | -0.0084 |
| No. of Employees Supervised, if any | 0.0038*** | (0.0012) | 0.0015*** |
| Civic Activity | -0.1132*** | (0.0390) | -0.0444*** |
| At Least One Parent worked in Public Sector | 0.0518 | (0.1121) | 0.0203 |
| Age | 0.0134* | (0.0069) | 0.0053* |
| Female | 0.2132* | (0.1114) | 0.0836* |
| Race (Nonwhite) | 0.1773 | (0.1460) | 0.0701 |
| Education: Less than undergraduate degree | -0.0669 | (0.1618) | -0.0261 |
| Education: Graduate or Professional School Graduate | -0.0103 | (0.1090) | -0.0041 |
| Married | 0.1191 | (0.1330) | 0.0463 |
| Number of Dependent Children | 0.1326** | (0.0523) | 0.0520** |
| Constant | 0.7331 | (0.7060) | |
| Observations | | | 838 |
| Wald Chi-squared | | | 298.8*** |
| Pseudo R-squared | | | 0.26 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 7-5. Linear Probability Model Regression of Incentive to Work Hard
Sample of Public and Nonprofit Respondents with Interaction Terms**

| Dependent Variable: Incentives to Work Hard | Model 5 | | Model 6 | |
|--|----------------------|----------|-------------------|----------|
| | Without Interactions | Robust | With Interactions | Robust |
| | Coefficient | SE | Coefficient | SE |
| Red Tape | -0.0144** | (0.0073) | -0.0061 | (0.0119) |
| Inflexibility of Personnel Rules | -0.0721*** | (0.0091) | -0.0670*** | (0.0140) |
| Public | -0.1549** | (0.0601) | 0.0231 | (0.1479) |
| Red Tape x Public | | | -0.0149 | (0.0152) |
| Inflexibility of Personnel Rules x Public | | | -0.0113 | (0.0181) |
| Organization Size | 0.0000 | (0.0000) | 0.0000 | (0.0000) |
| Georgia | 0.0097 | (0.0347) | 0.0036 | (0.0346) |
| First Full-Time Job | 0.0933* | (0.0510) | 0.0911* | (0.0513) |
| Previous Job: Private Sector | -0.0107 | (0.0497) | -0.0130 | (0.0500) |
| Previous Job: Nonprofit Sector | 0.0683 | (0.0496) | 0.0689 | (0.0499) |
| Security Motivation | 0.0412** | (0.0182) | 0.0383** | (0.0181) |
| Advancement Motivation | 0.0587*** | (0.0151) | 0.0577*** | (0.0151) |
| Financial Motivation | -0.0107 | (0.0215) | -0.0106 | (0.0216) |
| Desire to Serve the Public Motivation | 0.0414** | (0.0169) | 0.0398** | (0.0170) |
| Work Hours | 0.0007 | (0.0023) | 0.0010 | (0.0023) |
| Current Job: Promotion | -0.0669* | (0.0341) | -0.0690** | (0.0341) |
| Current Job: Manager | 0.0609 | (0.0599) | 0.0599 | (0.0597) |
| Tenure | 0.0048 | (0.0056) | 0.0049 | (0.0056) |
| Manager x Tenure | -0.0070 | (0.0061) | -0.0068 | (0.0060) |
| No. of Employees Supervised, if any | 0.0007*** | (0.0002) | 0.0006*** | (0.0002) |
| Civic Activity | -0.0359*** | (0.0115) | -0.0347*** | (0.0115) |
| At Least One Parent worked in Public Sector | 0.0077 | (0.0342) | 0.0115 | (0.0344) |
| Age | 0.0042** | (0.0020) | 0.0041** | (0.0020) |
| Female | 0.0580* | (0.0328) | 0.0553* | (0.0328) |
| Race (Nonwhite) | 0.0665 | (0.0490) | 0.0601 | (0.0492) |
| Education: Less than undergraduate degree | -0.0240 | (0.0479) | -0.0249 | (0.0483) |
| Education: Graduate or Professional School | | | | |
| Graduate | -0.0033 | (0.0323) | -0.0045 | (0.0324) |
| Married | 0.0323 | (0.0392) | 0.0317 | (0.0395) |
| Number of Dependent Children | 0.0414*** | (0.0154) | 0.0415*** | (0.0154) |
| Constant | 0.8499*** | (0.1863) | 0.7783*** | (0.1968) |
| Observations | | 838 | | 838 |
| R-squared | | 0.304 | | 0.305 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

CHAPTER 8

RESULTS: JOB SATISFACTION

JOB SATISFACTION

The second dependent variable of interest in this dissertation is *job satisfaction*. As with the *incentives to work hard* models reported in the previous chapter, probit regression models and linear probability models (LPMs) are employed to analyze the previously outlined hypotheses relating to *job satisfaction*. *Job satisfaction* is coded as a binary variable with a coding of one being assigned to positive responses (strongly agree and agree somewhat) and a coding of zero being assigned to negative responses (strongly disagree and disagree somewhat) to the following statement: All in all I am satisfied with my job. Of the 1206 respondents who responded to this item, 545 (45.19%) responded with a positive response.

The results of four probit models are presented at the end of this chapter: (1) Model 1 (Table 8-1, public sector sample, n=564); (2) Model 2 (Table 8-2, nonprofit sector sample, n=258)⁸; (3) Model 3 (Table 8-3, public and nonprofit full sample controlling for sector, n=836); and (4) Model 4 (Table 8-4, public and nonprofit full sample including administrative constraint and sector interaction terms, n=836).⁹¹⁰ The sample size for the full sample analyzed is 836—

⁸ STATA 10 is used in this analysis. In executing the probit model command for Model 2 (Table 8-2), STATA 10 reported *first full-time job* predicting success perfectly; thus, STATA 10 dropped the variable from the model and 14 observations were not used.

⁹ Using STATA 10, a variance inflation factor (VIF) is executed with the variables after a regression command. For Model 1 and Model 3, VIFs did not exceed 10. However, in Model 2, the VIF scores for manager x tenure (14.22) and tenure (11.64) exceeded 10. Because these variables are involved in an interaction, the high VIFs are taken with caution. Similarly, in Model 4, VIFs for red tape x public (14.75), public (24.62), and inflexibility of personnel rules x public (36.90) exceed 10. Again, because these variables are involved in an interaction, the high VIFs are taken with caution.

¹⁰ The model of work motivation in the public sector developed by Wright (2001) conceptualizes the relationship between sector and job satisfaction to be mediated by organizational context variables. This theory is tested by

564 public sector respondents and 258 nonprofit sector respondents. The likelihood ratio chi-squared tests for each of the models is statistically significant ($p < 0.001$). The pseudo R-squared coefficients for the models are modest: 0.27 (Table 8-1, Model 1: public sector model); 0.50 (Table 8-2, Model 2: nonprofit sector model); 0.28 (Table 8-3, Model 3: combined public sector and nonprofit sector model controlling for sector); and 0.29 (Table 8-4, Model 4: combined public sector and nonprofit sector model including administrative constraint and sector interaction terms).

ADMINISTRATIVE CONSTRAINTS AND SECTOR

Looking at two of the main independent variables—*red tape* and *inflexibility of personnel rules*—across all four probit models, *red tape* is negative and significant ($p < 0.01$ for Model 1, Model 3, and Model 4; $p < 0.05$ for Model 2) in all four models; however, *inflexibility of personnel rules* is only significant in two of the four models. *Inflexibility of personnel rules* is negative and significant ($p < 0.01$) in only the public sector sample model (Table 8-1, Model 1) and the full sample model controlling for sector (Table 8-3, Model 3) but not significant in the nonprofit sample model (Table 8-2, Model 2) or the full model including interaction terms for the administrative constraint and sector variables (Table 8-4, Model 4; Table 8-5, Model 6). These results provide evidence for support of H₄ that *red tape* is negatively associated with *job satisfaction*. However, the models only provide partial support for H₅ that *inflexibility of personnel rules* is associated with *job satisfaction*. In Model 1 (Table 8-1, public sector sample) and Model 3 (Table 8-3, combined public and nonprofit sector samples controlling for sector)

Chen (2011) with a dependent variable of positive work attitudes which includes the item used to measure job satisfaction in this analysis; however, this analysis incorporates the use of additional independent variables, uses job satisfaction as a single item, uses different statistical modeling techniques, and observes the role of administrative constraint and sector interaction terms.

when H₅ is supported, the results reveal a negative coefficient, consistent with the relational direction hypothesized in H₅.

Evidence of sector distinction between the public and nonprofit sectors is revealed in the results of Model 3 (Table 8-3, combined public and nonprofit sample controlling for sector) and Model 4 (Table 8-4, combined public and nonprofit sample including administrative constraints and sector interaction terms), in which *public* is significantly related to *job satisfaction*. *Public* is positive and significant ($p < 0.05$) in Model 3. Providing support for a difference in *job satisfaction* for public and nonprofit respondents. Examining the marginal effects of public respondents in Model 3 (Table 8-3), Model 3 provides evidence that the probability of a respondent in the public sector providing a positive response to job satisfaction is 5.30% higher relative to a respondent in the nonprofit sector. *Public* remains significant ($p < 0.01$) once interaction terms are added (Table 8-4, Model 4) possessing the same positive direction and a similar marginal effect as exhibited in Model 3 (Table 8-3). In both Model 3 (Table 8-3) and Model 4 (Table 8-4), the evidence supports that the probability of a public sector respondent providing a positive response to *job satisfaction* is higher relative to nonprofit respondents.

Additionally, Model 4 (Table 8-4) also contains interaction terms for administrative constraint variables and sector—*red tape x public* and *inflexibility of personnel rules x public*. However, as discussed in the previous chapter, interaction terms in probit regression models are challenging to interpret and the direction, significance, and magnitude have the potential of being different than what is produced by running a probit regression in a statistics program (Ai & Norton, 2003). Therefore, following the methods utilized by Grissom (2012), a linear

probability model (LPM) is generated to aid in interpretation of the interaction terms *red tape x public* and *inflexibility of personnel rules x public*.¹¹

Linear probability models with the same variables found in Model 3 and Model 4 are found in Table 8-5 in Model 5 (LPM for the combined public and nonprofit sample controlling for sector) and Model 6 (LPM for the combined public and nonprofit sample including administrative constraints and sector interaction terms).¹² Because of the reasons discussed above, the results of the interaction terms—*red tape x public* and *inflexibility of personnel rules x public*—are discussed using the evidence produced by the LPM (Table 8-5, Model 6).

In Model 6 (Table 8-5), *red tape x public* is insignificant; therefore, H_{8a} was not supported. However, Model 6 (Table 8-5) presents a different story for *inflexibility of personnel rules x public*. Although *inflexibility of personnel rules* is not significant in the LPM including public and nonprofit respondents and interaction terms for administrative constraints and sector (Table 8-5, Model 6), the interaction term, *inflexibility of personnel rules x public*, is significant. *Inflexibility of personnel rules x public* is significant (p.<0.01) and negatively associated with *job satisfaction*; therefore, for public respondents, the increase of *inflexibility of personnel rules*

¹¹ For both linear probability models, the variance inflation factors (VIFs) were obtained. In Model 5 (without the interaction terms), the highest VIF obtained is 6.71. However, in Model 6, VIFs for *red tape x public* (14.75), *public* (24.62), and *inflexibility of personnel rules x public* (36.90) exceed 10. Because these variables are involved in an interaction, the high VIFs are taken with caution. Additionally specification link tests were performed for both models. The results of both models raises questions about misspecification of models. Since the dependent variable is binary and cannot be rescaled, the independent variables were examined. Being limited to information provided in the survey data, additional LPMs were performed including additional work and organization attitude measures; however, the results of the specification tests did not improve. Therefore, I concluded to move forward with the analysis given the initial model and with the knowledge that the models should be interpreted with caution.

¹² Results from Model 3 were compared with results of Model 5. Significant variables are consistent between the two models and directional relations of significant variables are consistent between the two models. For most significant variables, the level of magnitude is also consistent; however, the control variable *organization size* differs in level of significance in Model 3 (p.<0.05) compared to the level of significance in Model 5 (p.<0.10). Results from Model 4 were compared with results of Model 6. Significant variables are consistent between the two models and directional relations of significant variables are consistent between the two models. The level of significance for significant variables is the same only for *incentives to work hard* and *public*. The level of significance for the other significant variables (*red tape*, *inflexibility of personnel rules x public*, *organization size*, and *current job: promotion*) differs between Model 4 and Model 6.

decreases the probability of providing a positive response to *job satisfaction* in Model 6 (Table 8-5). Therefore, the analysis provides evidence of the relationship between *inflexibility of personnel rules* and *job satisfaction* being moderated by *sector*; thus, H_{8b} is supported.

CONTROL VARIABLES

In addition to administrative constraints, sector distinction, and interactions between administrative constraints and sector, several categories of control variables were included in the analysis—institutional controls, managerial controls, and demographic controls. Additionally, the dependent variable from the previous chapter, *incentives to work hard*, was included. The results of the six models reveal that the control variables play a much more important role for nonprofit respondents (Table 8-2, Model 2) compared to the role they play for public respondents (Table 8-1, Model 1) or in the models with both public and nonprofit sector respondents (Table 8-3, Model 3; Table 8-4, Model 4; Table 8-5, Model 5 and Model 6) because more controls are significant in the nonprofit sector model compared to the other models included in this analysis.

In all six models (probit and linear probability models), *incentives to work hard* is positive and significantly ($p < 0.01$) associated with the probability of a respondent providing a positive response to *job satisfaction*. Also being consistent in significance in five of the six models is one of the two institutional control variables—*organization size*. *Organization size* is negative and significantly associated with *job satisfaction* ($p < 0.05$ in Model 1, Model 3, and Model 4; < 0.10 in Model 5 and Model 6) in all but one of the six models. *Organization size* is insignificant in Model 2 (Table 8-2) of nonprofit respondents.

Of the managerial control variables, only four were significant in the models included in this analysis; however, significance lacks consistency across the models. While *current job*:

manager and *tenure* are significant ($p < 0.05$) and positively associated with *job satisfaction* and *manager x tenure* is significant ($p < 0.05$) and negatively associated with *job satisfaction* in the model of nonprofit respondents (Table 8-2, Model 2), the three variables are not significant in any of the other five models. Additionally, *number of employees supervised, if any* is negative and significant ($p < 0.05$) for the nonprofit sample while *work hours* is positive and significant ($p < 0.01$) for the nonprofit sample.

On the other hand, *current job: promotion* is significant in all models except for Model 2 (Table 8-2) of nonprofit respondents. Across the five models in which *current job: promotion* is significant ($p < 0.05$ in Model 3, Model 5, and Model 6; $p < 0.10$ in Model 1 and Model 4), the variable is positively associated with the outcome variable of *job satisfaction*. As with the case of *organization size*, the only model in which *current job: promotion* is insignificant is Model 2 (Table 8-2) of nonprofit respondents.

Similar to the variables referencing a manager position and tenure in an organization, *race (nonwhite)* is significant only in the model of nonprofit respondents (Table 8-2, Model 2). Additionally, *race (nonwhite)* is the only demographic control variable significant in any of the models provided in this analysis. For nonprofit respondents (Table 8-2, Model 2), *race (nonwhite)* is significant ($p < 0.10$) and is negatively associated with the probability of a respondent providing a positive response to *job satisfaction*.

CONCLUSION

In this chapter, four probit regression models and two linear probability regression models are employed to examine the relationship of administrative constraints and sector with job satisfaction. While the models provide evidence that increased *red tape* decreases the likelihood of a respondent providing a positive response to *job satisfaction*, the results for

inflexibility of personnel rules are mixed. Whereas *inflexibility of personnel rules* is insignificant in the model including only nonprofit respondents (Table 8-2, Model 2), the variable is significant in the public respondent model (Table 8-1, Model 1) as well as the models of both public and nonprofit respondents combined excluding any administrative constraint and sector interaction variables (Table 8-3, Model 3; Table 8-5, Model 5). Further support for differences between sectors is provided in the combined public and nonprofit model with and without administrative constraint and sector interaction terms (Table 8-3, Model 3; Table 8-4, Model 4; Table 8-5, Model 5 and Model 6) in which being in the public sector increases the probability the respondent will provide a positive response to *job satisfaction*.

Further taking sector into consideration, a linear probability model (Table 8-5, Model 6) is employed to examine administrative constraint and sector interaction terms—*red tape x public* and *inflexibility of personnel rules x public*. While *red tape x public* is not significant, *inflexibility of personnel rules x public* is significant.

Continuing with this analysis, the next chapter provides the results and discussion of a similar analysis utilizing different methods and a different dependent variable. In the next chapter, I examine the relationship of administrative constraint variables and sector with absenteeism.

**Table 8-1. Model 1: Probit Regression of Job Satisfaction
Sample of Public Respondents**

| Dependent Variable: | Beta | Standard | Marginal |
|---|--------------------|--------------|-------------------|
| Job Satisfaction | Coefficient | Error | Effects |
| Incentives to Work Hard | 1.3115*** | (0.3383) | 0.1072*** |
| Red Tape | -0.2350*** | (0.0567) | -0.0254*** |
| Inflexibility of Personnel Rules | -0.2300*** | (0.0621) | -0.0249*** |
| Public | | | |
| Red Tape x Public | | | |
| Inflexibility of Personnel Rules x Public | | | |
| Organization Size | -0.0000** | (0.0000) | -0.0000** |
| Georgia | -0.1549 | (0.1821) | -0.0167 |
| First Full-Time Job | 0.2344 | (0.2849) | 0.0221 |
| Previous Job: Private Sector | -0.0166 | (0.2724) | -0.0018 |
| Previous Job: Nonprofit Sector | -0.3435 | (0.4022) | -0.0478 |
| Security Motivation | 0.0009 | (0.0973) | 0.0001 |
| Advancement Motivation | 0.0615 | (0.0835) | 0.0067 |
| Financial Motivation | -0.1055 | (0.1216) | -0.0114 |
| Desire to Serve the Public Motivation | 0.0141 | (0.0967) | 0.0015 |
| Work Hours | -0.0048 | (0.0141) | -0.0005 |
| Current Job: Promotion | 0.3339* | (0.1825) | 0.0386 |
| Current Job: Manager | -0.4062 | (0.2927) | -0.0385 |
| Tenure | -0.0250 | (0.0261) | -0.0027 |
| Manager x Tenure | 0.0442 | (0.0303) | 0.0048 |
| No. of Employees Supervised, if any | -0.0000 | (0.0026) | -0.0000 |
| Civic Activity | 0.0538 | (0.0626) | 0.0058 |
| At Least One Parent worked in Public Sector | 0.0534 | (0.1712) | 0.0057 |
| Age | 0.0161 | (0.0110) | 0.0017 |
| Female | 0.0939 | (0.1721) | 0.0100 |
| Race (Nonwhite) | -0.0496 | (0.2383) | -0.0055 |
| Education: Less than undergraduate degree | 0.1199 | (0.2680) | 0.0121 |
| Education: Graduate or Professional School Graduate | -0.2503 | (0.1772) | -0.0282 |
| Married | 0.0183 | (0.2107) | 0.0020 |
| Number of Dependent Children | -0.0078 | (0.0849) | -0.0008 |
| Constant | 4.9448*** | (1.1986) | |
| Observations | | | 564 |
| Wald Chi-squared | | | 125.38*** |
| Pseudo R-squared | | | 0.2701 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 8-2. Model 2: Probit Regression of Job Satisfaction
Sample of Nonprofit Respondents**

| Dependent Variable: | Beta | Standard | Marginal |
|---|------------------|----------|----------|
| Job Satisfaction | Coefficient | Error | Effects |
| Incentives to Work Hard | 1.5928*** | (0.5840) | 0.0088 |
| Red Tape | -0.3294** | (0.1360) | -0.0003 |
| Inflexibility of Personnel Rules | -0.0333 | (0.1487) | -0.0000 |
| Public | | | |
| Red Tape x Public | | | |
| Inflexibility of Personnel Rules x Public | | | |
| Organization Size | 0.0034 | (0.0030) | 0.0000 |
| Georgia | -0.0915 | (0.7698) | -0.0001 |
| First Full-Time Job | | | |
| Previous Job: Private Sector | 0.3261 | (0.7757) | 0.0002 |
| Previous Job: Nonprofit Sector | 0.3625 | (0.6295) | 0.0003 |
| Security Motivation | -0.2380 | (0.2969) | -0.0002 |
| Advancement Motivation | 0.0194 | (0.2313) | 0.0000 |
| Financial Motivation | 0.0117 | (0.3701) | 0.0000 |
| Desire to Serve the Public Motivation | 0.0156 | (0.2451) | 0.0000 |
| Work Hours | 0.1177*** | (0.0436) | 0.0001 |
| Current Job: Promotion | 0.3615 | (0.5354) | 0.0003 |
| Current Job: Manager | 2.2752** | (1.1211) | 0.0652 |
| Tenure | 0.6578** | (0.3118) | 0.0006 |
| Manager x Tenure | -0.6422** | (0.3216) | -0.0006 |
| No. of Employees Supervised, if any | -0.0091** | (0.0045) | -0.0000 |
| Civic Activity | -0.0016 | (0.2747) | -0.0000 |
| At Least One Parent worked in Public Sector | -0.1329 | (0.6355) | -0.0001 |
| Age | -0.0007 | (0.0309) | -0.0000 |
| Female | -0.0160 | (0.6180) | -0.0000 |
| Race (Nonwhite) | -1.2966* | (0.7744) | -0.0117 |
| Education: Less than undergraduate degree | -0.0602 | (0.9164) | -0.0001 |
| Education: Graduate or Professional School Graduate | 0.3669 | (0.5108) | 0.0003 |
| Married | 0.2182 | (0.6017) | 0.0002 |
| Number of Dependent Children | -0.4049 | (0.2803) | -0.0004 |
| Constant | -5.1221 | (3.4282) | |
| Observations | | | 258 |
| Wald Chi-squared | | | 54.76*** |
| Pseudo R-squared | | | 0.5033 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 8-3. Model 3: Probit Regression of Job Satisfaction
Sample of Public and Nonprofit Respondents without Interaction Terms

| Dependent Variable: Job Satisfaction | Beta Coefficient | Standard Error | Marginal Effects |
|---|---------------------|-------------------|---------------------|
| Incentives to Work Hard | 1.0669*** | (0.2271) | 0.0815*** |
| Red Tape | -0.2065*** | (0.0425) | -0.0159*** |
| Inflexibility of Personnel Rules | -0.1668*** | (0.0499) | -0.0129*** |
| Public | 0.5628** | (0.2773) | 0.0530* |
| Red Tape x Public | | | |
| Inflexibility of Personnel Rules x Public | | | |
| Organization Size | -0.0000** | (0.0000) | -0.0000** |
| Georgia | -0.1153 | (0.1659) | -0.0091 |
| First Full-Time Job | 0.3156 | (0.2680) | 0.0195 |
| Previous Job: Private Sector | -0.0071 | (0.2347) | -0.0006 |
| Previous Job: Nonprofit Sector | -0.2903 | (0.2718) | -0.0265 |
| Security Motivation | -0.0075 | (0.0859) | -0.0006 |
| Advancement Motivation | 0.0476 | (0.0726) | 0.0037 |
| Financial Motivation | -0.0895 | (0.1074) | -0.0069 |
| Desire to Serve the Public Motivation | 0.0239 | (0.0818) | 0.0018 |
| Work Hours | 0.0142 | (0.0115) | 0.0011 |
| Current Job: Promotion | 0.3187** | (0.1594) | 0.0253* |
| Current Job: Manager | -0.3178 | (0.2601) | -0.0212 |
| Tenure | -0.0089 | (0.0245) | -0.0007 |
| Manager x Tenure | 0.0285 | (0.0281) | 0.0022 |
| No. of Employees Supervised, if any | -0.0002 | (0.0021) | -0.0000 |
| Civic Activity | 0.0470 | (0.0566) | 0.0036 |
| At Least One Parent worked in Public Sector | 0.0388 | (0.1552) | 0.0030 |
| Age | 0.0109 | (0.0095) | 0.0008 |
| Female | 0.0573 | (0.1529) | 0.0044 |
| Race (Nonwhite) | -0.0639 | (0.2110) | -0.0052 |
| Education: Less than undergraduate degree | 0.1462 | (0.2416) | 0.0102 |
| Education: Graduate or Professional School Graduate | -0.1705 | (0.1514) | -0.0135 |
| Married | 0.1400 | (0.1783) | 0.0116 |
| Number of Dependent Children | -0.0358 | (0.0740) | -0.0028 |
| Constant | 2.6539*** | (0.9505) | |
| Observations | | | 836 |
| Wald Chi-squared | | | 164.91*** |
| Pseudo R-squared | | | 0.2786 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 8-4. Model 4: Probit Regression of Job Satisfaction
Sample of Public and Nonprofit Respondents with Interaction Terms**

| Dependent Variable: | Beta | Standard | Marginal |
|---|-------------------|----------|-------------------|
| Job Satisfaction | Coefficient | Error | Effects |
| Incentives to Work Hard | 1.0951*** | (0.2312) | 0.0885*** |
| Red Tape | -0.1799*** | (0.0677) | -0.0147*** |
| Inflexibility of Personnel Rules | -0.0326 | (0.0897) | -0.0027 |
| Public | 2.7776*** | (1.0386) | 0.5336* |
| Red Tape x Public | -0.0590 | (0.0868) | -0.0048 |
| Inflexibility of Personnel Rules x Public | -0.1984* | (0.1072) | -0.0162* |
| Organization Size | -0.0000** | (0.0000) | -0.0000** |
| Georgia | -0.1665 | (0.1685) | -0.0140 |
| First Full-Time Job | 0.3156 | (0.2731) | 0.0207 |
| Previous Job: Private Sector | 0.0338 | (0.2367) | 0.0027 |
| Previous Job: Nonprofit Sector | -0.2311 | (0.2717) | -0.0215 |
| Security Motivation | -0.0084 | (0.0860) | -0.0007 |
| Advancement Motivation | 0.0475 | (0.0730) | 0.0039 |
| Financial Motivation | -0.0971 | (0.1082) | -0.0079 |
| Desire to Serve the Public Motivation | 0.0224 | (0.0816) | 0.0018 |
| Work Hours | 0.0145 | (0.0115) | 0.0012 |
| Current Job: Promotion | 0.3123* | (0.1608) | 0.0262* |
| Current Job: Manager | -0.3267 | (0.2626) | -0.0231 |
| Tenure | -0.0088 | (0.0247) | -0.0007 |
| Manager x Tenure | 0.0284 | (0.0285) | 0.0023 |
| No. of Employees Supervised, if any | -0.0003 | (0.0021) | -0.0000 |
| Civic Activity | 0.0460 | (0.0572) | 0.0038 |
| At Least One Parent worked in Public Sector | 0.0679 | (0.1573) | 0.0054 |
| Age | 0.0111 | (0.0096) | 0.0009 |
| Female | 0.0431 | (0.1542) | 0.0035 |
| Race (Nonwhite) | -0.1001 | (0.2147) | -0.0087 |
| Education: Less than undergraduate degree | 0.1266 | (0.2444) | 0.0095 |
| Education: Graduate or Professional School Graduate | -0.1826 | (0.1528) | -0.0153 |
| Married | 0.1321 | (0.1794) | 0.0116 |
| Number of Dependent Children | -0.0324 | (0.0753) | -0.0027 |
| Constant | 1.4022 | (1.0858) | |
| Observations | | | 836 |
| Wald Chi-squared | | | 169.70*** |
| Pseudo R-squared | | | 0.2867 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 8-5. Linear Probability Model Regression of Job Satisfaction
Sample of Public and Nonprofit Respondents with Interaction Terms**

| Dependent Variable: Job Satisfaction | Model 5 | | Model 6 | |
|---|----------------------|--------------|-------------------|--------------|
| | Without Interactions | | With Interactions | |
| | Coefficient | Robust SE | Coefficient | Robust SE |
| Incentives to Work Hard | 0.1175*** | (0.0195) | 0.1134*** | (0.0198) |
| Red Tape | -0.0217*** | (0.0048) | -0.0179** | (0.0075) |
| Inflexibility of Personnel Rules | -0.0199*** | (0.0069) | -0.0000 | (0.0072) |
| Public | 0.0880** | (0.0412) | 0.4502*** | (0.0982) |
| Red Tape x Public | | | -0.0090 | (0.0098) |
| Inflexibility of Personnel Rules x Public | | | -0.0379*** | (0.0121) |
| Organization Size | -0.0000* | (0.0000) | -0.0000* | (0.0000) |
| Georgia | -0.0075 | (0.0238) | -0.0202 | (0.0238) |
| First Full-Time Job | 0.0343 | (0.0293) | 0.0308 | (0.0290) |
| Previous Job: Private Sector | 0.0182 | (0.0368) | 0.0141 | (0.0365) |
| Previous Job: Nonprofit Sector | -0.0127 | (0.0346) | -0.0083 | (0.0343) |
| Security Motivation | 0.0020 | (0.0128) | -0.0020 | (0.0130) |
| Advancement Motivation | 0.0080 | (0.0124) | 0.0067 | (0.0125) |
| Financial Motivation | -0.0137 | (0.0162) | -0.0139 | (0.0162) |
| Desire to Serve the Public Motivation | 0.0096 | (0.0128) | 0.0077 | (0.0126) |
| Work Hours | 0.0008 | (0.0016) | 0.0013 | (0.0015) |
| Current Job: Promotion | 0.0636** | (0.0253) | 0.0579** | (0.0251) |
| Current Job: Manager | -0.0530 | (0.0438) | -0.0554 | (0.0440) |
| Tenure | -0.0036 | (0.0042) | -0.0035 | (0.0042) |
| Manager x Tenure | 0.0053 | (0.0044) | 0.0056 | (0.0044) |
| No. of Employees Supervised, if any | -0.0000 | (0.0001) | -0.0001 | (0.0001) |
| Civic Activity | 0.0042 | (0.0077) | 0.0059 | (0.0077) |
| At Least One Parent worked in Public Sector | 0.0128 | (0.0234) | 0.0188 | (0.0234) |
| Age | 0.0011 | (0.0014) | 0.0009 | (0.0014) |
| Female | 0.0223 | (0.0244) | 0.0173 | (0.0244) |
| Race (Nonwhite) | -0.0021 | (0.0327) | -0.0114 | (0.0327) |
| Education: Less than undergraduate degree | 0.0225 | (0.0308) | 0.0199 | (0.0307) |
| Education: Graduate or Professional School Graduate | -0.0168 | (0.0231) | -0.0180 | (0.0229) |
| Married | 0.0311 | (0.0299) | 0.0291 | (0.0297) |
| Number of Dependent Children | -0.0053 | (0.0105) | -0.0062 | (0.0104) |
| Constant | 0.9812*** | (0.1468) | 0.8336*** | (0.1446) |
| Observations | | 836 | | 836 |
| R-squared | | 0.155 | | 0.169 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

CHAPTER 9

RESULTS: ABSENTEEISM

ABSENTEEISM

The final dependent variable of interest in this dissertation is *absenteeism*. Unlike the dependent variables in the previous two analyses, *absenteeism* is not a binary variable.

Therefore, to explore the relationship of administrative constraint variables and sector with *absenteeism*, I use a series of Ordinary Least Squares (OLS) regressions. *Absenteeism* is the total number of days a respondent indicated he or she missed work in the last twelve months.

The results of four OLS regressions are presented at the end of this chapter: (1) Model 1 (Table 9-1, public sector sample, n=563); (2) Model 2 (Table 9-2, nonprofit sector sample, n=272); (3) Model 3 (Table 9-3, public and nonprofit full sample controlling for sector, n=835); and (4) Model 4 (Table 9-4, public and nonprofit full sample including administrative constraint and sector interaction terms, n=835).¹³ The sample size for the full sample analyzed is 835—563 public sector respondents and 272 nonprofit sector respondents. The F-statistic for each of the models is statistically significant (p.<0.001). The R-squared coefficients the models are modest: 0.11 (Table 8-1, Model 1: public sector model); 0.15 (Table 8-2, Model 3: nonprofit sector model); 0.09 (Table 8-3, Model 5: combined public sector and nonprofit sector model

¹³ Using STATA 10, a variance inflation factor (VIF) is executed with the variables after a regression command. For Model 1 and Model 3, VIFs did not exceed 10. However, in Model 2, the VIF scores for manager x tenure (14.31) and tenure (11.75) exceeded 10. Because these variables are involved in an interaction, the high VIFs are taken with caution. Similarly, in Model 4, VIFs for red tape x public (14.76), public (25.18), and inflexibility of personnel rules x public (37.26) exceed 10. Again, because these variables are involved in an interaction, the high VIFs are taken with caution.

controlling for sector); and 0.09 (Table 8-7, Model 4: combined public sector and nonprofit sector model including administrative constraint and sector interaction terms).¹⁴

ADMINISTRATIVE CONSTRAINTS AND SECTOR

This discussion begins with the review of results of relationships of administrative constraint variables and sector with the outcome variable of interest—*absenteeism*. The results are found in the tables provided at the end of this chapter. The hypotheses set forth in Chapter 4 and Chapter 5 regarding absenteeism are not supported by this analysis. In Chapter 4, a series of hypotheses were developed positing a positive relationship between administrative constraint variables and *absenteeism*. Significant relationships between the administrative constraint variables—*red tape* and *inflexibility of personnel rules*—and *absenteeism* were not found in any of the four models included in this analysis. Additionally, when controlling for sector in Model 5 (Table 9-3) and Model 7 (Table 9-4), the sector variable, *public*, was insignificant. Further, interaction terms for sector and administrative constraints—*red tape x public* and *inflexibility of personnel rules x public*—are insignificant in Model 4 (Table 9-4). Therefore, the results of this analysis show that administrative constraints and sector are not significant factors in explaining *absenteeism*. Additional analyses of absenteeism which including sector distinction variables should be conducted to examine the differences in means displayed in the t-test of *absenteeism* in Chapter 1 which are not supported by the OLS models presented in this chapter.

CONTROL VARIABLES

Although the variables of interest did not provide evidence of significant relationships with *absenteeism*, several control variables included in the analysis do have significant

¹⁴ After performing a series of specification tests, four potential outliers were identified. Therefore, results for OLS regressions with and without the potential outliers are included in the tables at the end of this chapter. For most significant findings, the results are the same with and without including the potential outliers in the analysis. For the purposes of this dissertation, the discussion utilizes models in which no potential outliers are excluded.

associations with *absenteeism*. For instance, one control variable included in this analysis is consistently significant ($p < 0.01$) and negative across all four models—*work hours*. Therefore for public and nonprofit respondents, as *work hours* increases *absenteeism* decreases. However, the nonprofit model provides evidence of significant relationships for two variables that are not significant in the other three models—*organization size* and *financial motivation*. For nonprofit respondents, *organization size* ($p < 0.01$) and *financial motivation* ($p < 0.05$) are positive and significantly associated with *absenteeism*.

Four additional control variables are significant in three of the four models—*Georgia*, *number of employees supervised, if any*, *female*, and *married*. For the nonprofit respondents (Table 9-2) and in both models including public and nonprofit respondents (Table 9-3 and Table 9-4), *married* is positive and significantly ($p < 0.10$) associated with *absenteeism*. Therefore, for the model of nonprofit respondents and the models including both public and nonprofit respondents, being married is associated with increased absenteeism but is insignificant in the public sector model (Table 9-1, Model 1). For the public sector model (Table 9-1) and the models with both public and nonprofit respondents (Table 9-3 and Table 9-4), *Georgia* is negative and significant ($p < 0.01$) and *number of employees supervised, if any* is also negative and significant ($p < 0.05$) associated with *absenteeism*. Similarly, for the same models, *female* is significant (Table 9-1, $p < 0.01$; Table 9-3 and Table 9-4 $p < 0.05$) but is positively associated with *absenteeism*. Therefore, being a female respondent in the public sector model and being female in the models with both public and nonprofit sector respondents is associated with higher absenteeism, but *female* is insignificant for nonprofit sector respondents (Table 9-2).

CONCLUSION

In this chapter, the results of four OLS regressions are provided to examine the relationship of administrative constraints—*red tape* and *inflexibility of personnel rules*—and sector with absenteeism. As discussed in Chapter 4 and Chapter 5, it was hypothesized that administrative constraints would be positively associated with absenteeism. Further, it was hypothesized that because of the distinctive nature of red tape and inflexibility of personnel rules in the public and nonprofit sectors, respondents would display different reactions to the administrative constraint variables—potential to cope. However, the results of this analysis do not support the hypotheses presented in Chapter 4 and Chapter 5 regarding absenteeism.

**Table 9-1. Ordinary Least Squares Regression of Absenteeism
Sample of Public Respondents**

| Dependent Variable: Absenteeism | Model 1 | | Model 2 | |
|---|-------------------|--------------|-------------------|--------------|
| | Without Drops | | With Drops | |
| | Coefficient | Robust SE | Coefficient | Robust SE |
| Job Satisfaction | 0.5236 | (1.2990) | -0.0810 | (1.1845) |
| Incentives to Work Hard | -1.9232 | (1.3407) | -0.6543 | (0.9828) |
| Red Tape | -0.3171 | (0.3427) | -0.0496 | (0.2088) |
| Inflexibility of Personnel Rules | 0.0016 | (0.4350) | -0.2411 | (0.3277) |
| Organization Size | -0.0000 | (0.0001) | 0.0000 | (0.0001) |
| Georgia | -2.8338*** | (1.0025) | -2.9477*** | (0.9161) |
| First Full-Time Job | -1.0852 | (1.0643) | -0.6835 | (0.9943) |
| Previous Job: Private Sector | 1.9502 | (2.9723) | -0.5136 | (1.7448) |
| Previous Job: Nonprofit Sector | -3.6890 | (2.3409) | -3.6947* | (2.2387) |
| Security Motivation | -0.6373 | (1.0295) | -0.9162 | (0.8656) |
| Advancement Motivation | -0.0455 | (0.5542) | -0.4066 | (0.4724) |
| Financial Motivation | -1.4076 | (0.8670) | -0.5457 | (0.5540) |
| Desire to Serve the Public Motivation | -0.2685 | (0.6292) | -0.4580 | (0.5054) |
| Work Hours | -0.2975*** | (0.0681) | -0.2657*** | (0.0632) |
| Current Job: Promotion | 0.5727 | (1.2759) | 0.1971 | (0.9235) |
| Current Job: Manager | 0.0689 | (2.8540) | 0.6042 | (1.7065) |
| Tenure | 0.3612 | (0.2985) | 0.2205* | (0.1255) |
| Manager x Tenure | -0.1863 | (0.3273) | 0.0050 | (0.1549) |
| No. of Employees Supervised, if any | -0.0103** | (0.0049) | -0.0152** | (0.0061) |
| Civic Activity | -0.0474 | (0.3865) | 0.1303 | (0.2875) |
| At Least One Parent worked in Public Sector | 1.5738 | (1.4154) | 0.0353 | (0.8935) |
| Age | 0.0794 | (0.1158) | -0.0285 | (0.0776) |
| Female | 2.9295*** | (1.0807) | 2.5530*** | (0.9425) |
| Race (Nonwhite) | 2.4829 | (1.7877) | 1.4344 | (1.1186) |
| Education: Less than undergraduate degree | -0.3024 | (1.5852) | 0.9176 | (1.2557) |
| Education: Graduate or Professional School Graduate | -1.1137 | (1.1336) | -0.0229 | (0.8288) |
| Married | 1.6287 | (1.5637) | 2.1587** | (1.0501) |
| Number of Dependent Children | 0.4349 | (0.7092) | 0.2611 | (0.3811) |
| Constant | 33.6053*** | (7.7415) | 34.7256*** | (6.1885) |
| Observations | | 563 | | 560 |
| R-squared | | 0.106 | | 0.128 |

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 9-2. Ordinary Least Squares Regression of Absenteeism
Sample of Nonprofit Respondents**

| Dependent Variable: Absenteeism | Model 3 | | Model 4 | |
|---|-------------------|--------------|-------------------|--------------|
| | Without Drops | | With Drops | |
| | Coefficient | Robust SE | Coefficient | Robust SE |
| Job Satisfaction | -0.1647 | (2.2342) | -0.0332 | (2.2843) |
| Incentives to Work Hard | 0.9604 | (1.4564) | 0.8684 | (1.4448) |
| Red Tape | 0.0351 | (0.2361) | 0.0290 | (0.2354) |
| Inflexibility of Personnel Rules | 0.3464 | (0.3172) | 0.3589 | (0.3186) |
| Organization Size | 0.0016*** | (0.0004) | 0.0016*** | (0.0004) |
| Georgia | -2.1113 | (1.5316) | -2.0213 | (1.5283) |
| First Full-Time Job | 1.0325 | (1.8162) | 1.0247 | (1.8292) |
| Previous Job: Private Sector | -2.8681 | (1.7782) | -2.8842 | (1.7807) |
| Previous Job: Nonprofit Sector | -1.4282 | (1.4561) | -1.3185 | (1.5042) |
| Security Motivation | -1.1149 | (0.7323) | -1.1012 | (0.7304) |
| Advancement Motivation | 0.3536 | (0.5895) | 0.3473 | (0.5860) |
| Financial Motivation | 1.7564** | (0.7548) | 1.7458** | (0.7523) |
| Desire to Serve the Public Motivation | -0.1453 | (0.5544) | -0.1980 | (0.5577) |
| Work Hours | -0.2416*** | (0.0841) | -0.2463*** | (0.0853) |
| Current Job: Promotion | -1.9289 | (1.2351) | -1.9891 | (1.2225) |
| Current Job: Manager | -2.2307 | (3.3147) | -2.3451 | (3.3490) |
| Tenure | 0.0035 | (0.2539) | -0.0092 | (0.2582) |
| Manager x Tenure | 0.1015 | (0.2992) | 0.1194 | (0.3059) |
| No. of Employees Supervised, if any | 0.0035 | (0.0047) | 0.0188 | (0.0244) |
| Civic Activity | -0.4568 | (0.4119) | -0.4606 | (0.4120) |
| At Least One Parent worked in Public Sector | -1.4906 | (1.3647) | -1.4401 | (1.3729) |
| Age | -0.0504 | (0.0889) | -0.0570 | (0.0902) |
| Female | 0.3172 | (1.2051) | 0.3898 | (1.2219) |
| Race (Nonwhite) | -0.6792 | (2.3713) | -0.5976 | (2.3691) |
| Education: Less than undergraduate degree | -0.5247 | (1.8987) | -0.4696 | (1.8971) |
| Education: Graduate or Professional School Graduate | -0.3080 | (1.2614) | -0.3274 | (1.2624) |
| Married | 3.0904* | (1.6312) | 3.1110* | (1.6387) |
| Number of Dependent Children | 0.1295 | (0.5457) | 0.0634 | (0.5473) |
| Constant | 27.1080*** | (7.6236) | 27.6014*** | (7.7037) |
| Observations | | 272 | | 271 |
| R-squared | | 0.150 | | 0.151 |

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 9-3. Ordinary Least Squares Regression of Absenteeism
Sample of Public and Nonprofit Respondents**

| Dependent Variable: Absenteeism | Model 5 | | Model 6 | |
|---|-------------------|-----------|-------------------|-----------|
| | Without Drops | | With Drops | |
| | Coefficient | Robust SE | Coefficient | Robust SE |
| Job Satisfaction | 0.7400 | (1.0791) | 0.2566 | (1.0111) |
| Incentives to Work Hard | -1.0556 | (0.9644) | -0.2065 | (0.7753) |
| Red Tape | -0.1260 | (0.2314) | 0.0483 | (0.1640) |
| Inflexibility of Personnel Rules | 0.1081 | (0.2604) | -0.0128 | (0.2256) |
| Public | 0.0620 | (1.4614) | -0.3948 | (1.1243) |
| Organization Size | -0.0000 | (0.0001) | 0.0000 | (0.0001) |
| Georgia | -2.6906*** | (0.8930) | -2.7018*** | (0.7738) |
| First Full-Time Job | -0.9089 | (0.9866) | -0.3817 | (0.8823) |
| Previous Job: Private Sector | 0.3974 | (1.8722) | -1.1317 | (1.2001) |
| Previous Job: Nonprofit Sector | -0.4301 | (1.3522) | -1.2528 | (1.1285) |
| Security Motivation | -0.5946 | (0.7478) | -0.8573 | (0.6058) |
| Advancement Motivation | -0.0050 | (0.3952) | -0.2248 | (0.3531) |
| Financial Motivation | -0.3522 | (0.6538) | 0.2651 | (0.4433) |
| Desire to Serve the Public Motivation | -0.1589 | (0.4246) | -0.3357 | (0.3574) |
| Work Hours | -0.2635*** | (0.0515) | -0.2512*** | (0.0502) |
| Current Job: Promotion | -0.0262 | (0.8884) | -0.2627 | (0.7172) |
| Current Job: Manager | 0.1518 | (2.3591) | 0.3957 | (1.5113) |
| Tenure | 0.3216 | (0.2635) | 0.1806 | (0.1118) |
| Manager x Tenure | -0.1838 | (0.2890) | -0.0070 | (0.1360) |
| No. of Employees Supervised, if any | -0.0073** | (0.0037) | -0.0131** | (0.0055) |
| Civic Activity | -0.2034 | (0.2987) | -0.0671 | (0.2288) |
| At Least One Parent worked in Public Sector | 0.8868 | (1.1480) | -0.3464 | (0.7587) |
| Age | 0.0419 | (0.0826) | -0.0329 | (0.0585) |
| Female | 2.1521** | (0.8433) | 1.9058** | (0.7693) |
| Race (Nonwhite) | 2.1383 | (1.5746) | 1.2121 | (1.0157) |
| Education: Less than undergraduate degree | -0.7818 | (1.2916) | 0.2372 | (1.0426) |
| Education: Graduate or Professional School | | | | |
| Graduate | -0.6869 | (0.8644) | 0.0240 | (0.6981) |
| Married | 1.9292* | (1.0930) | 2.3379*** | (0.8455) |
| Number of Dependent Children | 0.2848 | (0.5308) | 0.1869 | (0.3131) |
| Constant | 28.4901*** | (5.0298) | 29.8087*** | (4.6667) |
| Observations | | 835 | | 831 |
| R-squared | | 0.085 | | 0.106 |

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table 9-4. Ordinary Least Squares Regression of Absenteeism
Sample of Public and Nonprofit Respondents with Interactions**

| Dependent Variable: Absenteeism | Model 7 | | Model 8 | |
|---|-------------------|-----------|-------------------|-----------|
| | Without Drops | | With Drops | |
| | Coefficient | Robust SE | Coefficient | Robust SE |
| Job Satisfaction | 0.6212 | (1.1142) | 0.0769 | (1.0130) |
| Incentives to Work Hard | -1.0968 | (0.9713) | -0.2372 | (0.7733) |
| Red Tape | 0.1503 | (0.2286) | 0.1390 | (0.2249) |
| Inflexibility of Personnel Rules | 0.0310 | (0.3168) | 0.1495 | (0.3032) |
| Public | 2.2771 | (5.0471) | 3.4385 | (3.5293) |
| Red Tape x Public | -0.4697 | (0.4039) | -0.1848 | (0.2806) |
| Inflexibility of Personnel Rules x Public | 0.0597 | (0.5299) | -0.3355 | (0.4172) |
| Organization Size | -0.0000 | (0.0001) | 0.0001 | (0.0001) |
| Georgia | -2.7617*** | (0.8743) | -2.8304*** | (0.7925) |
| First Full-Time Job | -0.9357 | (0.9890) | -0.4178 | (0.8780) |
| Previous Job: Private Sector | 0.3633 | (1.8582) | -1.1692 | (1.2038) |
| Previous Job: Nonprofit Sector | -0.4568 | (1.3381) | -1.2179 | (1.1298) |
| Security Motivation | -0.6520 | (0.7275) | -0.9019 | (0.6059) |
| Advancement Motivation | -0.0192 | (0.3915) | -0.2407 | (0.3514) |
| Financial Motivation | -0.3462 | (0.6488) | 0.2655 | (0.4426) |
| Desire to Serve the Public Motivation | -0.1923 | (0.4356) | -0.3599 | (0.3587) |
| Work Hours | -0.2606*** | (0.0526) | -0.2461*** | (0.0504) |
| Current Job: Promotion | -0.0343 | (0.9126) | -0.3101 | (0.7229) |
| Current Job: Manager | 0.1451 | (2.3532) | 0.3758 | (1.5181) |
| Tenure | 0.3244 | (0.2643) | 0.1828 | (0.1116) |
| Manager x Tenure | -0.1798 | (0.2862) | -0.0036 | (0.1362) |
| No. of Employees Supervised, if any | -0.0078** | (0.0037) | -0.0132** | (0.0055) |
| Civic Activity | -0.1813 | (0.3094) | -0.0436 | (0.2293) |
| At Least One Parent worked in Public Sector | 0.9584 | (1.1544) | -0.2692 | (0.7536) |
| Age | 0.0421 | (0.0843) | -0.0351 | (0.0589) |
| Female | 2.1226** | (0.8580) | 1.8562** | (0.7688) |
| Race (Nonwhite) | 2.0210 | (1.6359) | 1.0936 | (1.0162) |
| Education: Less than undergraduate degree | -0.7823 | (1.2798) | 0.2205 | (1.0400) |
| Education: Graduate or Professional School Graduate | -0.7179 | (0.8665) | 0.0051 | (0.6972) |
| Married | 1.9347* | (1.0870) | 2.3292*** | (0.8458) |
| Number of Dependent Children | 0.3055 | (0.5321) | 0.1788 | (0.3126) |
| Constant | 27.8273*** | (4.8312) | 28.4754*** | (4.6792) |
| Observations | | 835 | | 831 |
| R-squared | | 0.087 | | 0.108 |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

CHAPTER 10

CONCLUSION

Exploring sector distinctions has been a part of the organizational theory literature for decades, and still resonates as a topic worthy of discussion among scholars today (Rainey, 2009). When discussing the public and nonprofit sectors, the two are sometimes grouped together in the literature (Chen, 2011). For example, some textbooks addressing management topics group the public and nonprofit sectors together when discussing organizational performance (ex. Berman, 2006) and human resources strategic management (ex. Pynes, 2009). Additionally, several similarities between the public and nonprofit sectors are also noted in the literature. For example, public and nonprofit sectors are described as having public service jobs (Light, 1999) and define themselves by their mission or service (Pynes, 2009). However, the distinctive nature of the each sector—the public sector and nonprofit sector—calls into question the common treatment of the sectors. As described in Chapter 5, several distinctions between the public and nonprofit sectors exist (Frumkin, 2001). For example, nonprofit organizations are characterized as having non-coercive participation. The non-coercive participation characteristic describes how nonprofit organizations can be like private organizations, such as operating in a market-like environment. Additionally, the non-coercive participation characteristic helps describe how nonprofit organizations differ from public organizations, such as nonprofit organizations not using coercive measures such as taxation to garner participation (Frumkin, 2001).

Wright (2001) develops a distinct public sector model of motivation in which sector matters and organizational context is taken into consideration. Pulling from the idea that

organizational context and sector matter in motivation, I build upon the work of Feeney and Rainey (2010) to explore whether the evidence they find of differences in perceptions of red tape and inflexibility of personnel rules for public and nonprofit managers makes a difference in other areas—incentives to work hard, job satisfaction, and absenteeism. In Chapter 4, I present a series of hypotheses regarding the aforementioned items of interest in regards to how each were thought to be associated with red tape and inflexibility of personnel rules. The common theme streaming through the hypotheses for each item of interest—incentives to work hard, job satisfaction, and absenteeism—is that the negativity associated with administrative constraints would lead to negative outcomes. In other words, with increased views of red tape and increased views of inflexibility of personnel rules, I hypothesized negative associations with perceived incentives to work hard and job satisfaction but positive associations with absenteeism. While the results presented in Chapter 9 provided no support for the hypotheses associated with absenteeism, support for the hypotheses associated with incentives to work hard and job satisfaction are mixed.

The results pertaining to how inflexibility of personnel rules relates to incentives to work hard and job satisfaction are found in Chapter 7 and Chapter 8, respectively. In Chapter 7, a series of probit models and linear probability models provide evidence supporting negative associations between inflexibility of personnel rules and incentives to work hard. However, in Chapter 8, the hypotheses regarding inflexibility of personnel rules and job satisfaction are only partially supported in this analysis with negative and significant relationships found in the public sector model and in the public and nonprofit sector combined model controlling for sector but not including interaction terms for administrative constraint and sector variables. Further,

inflexibility of personnel rules is insignificant in the job satisfaction nonprofit sector model found in Chapter 8.

A similar story is found in Chapter 7 and Chapter 8 for red tape. The hypotheses regarding red tape are fully supported in one chapter (Chapter 8) while only partially supported in the other chapter (Chapter 7). In Chapter 7, partial support is found for the hypothesis positing a negative relationship between red tape and incentives to work hard. While red tape is insignificant in the nonprofit model and the full sample model of public and nonprofit respondents including interaction terms for administrative constraint and sector variables, red tape is negative and significantly associated with incentives to work hard in the public sector model and the full public and nonprofit sample combined models when interaction terms for administrative constraints and sector are not included in the model. However, in all models in Chapter 8, the evidence supports the hypotheses outlined in Chapter 4, which postulate a negative relationship between red tape and job satisfaction.

In addition to observing the relationship between administrative constraints with incentives to work hard, job satisfaction, and absenteeism, this analysis also takes sector distinction into consideration. For each outcome variable, sector is examined as a possible mediator and moderator between the administrative constraints variable and the outcome variable. When treated as a mediator, sector is observed as an organizational characteristic, characterizing an organization the respondent works for as being either public or nonprofit. In Chapter 7 and Chapter 8, some support for sector differences for perceptions of incentives to work hard and job satisfaction are found. For perceptions of incentives to work hard, public sector respondents were found to have a lower probability of reporting positive views of incentives to work hard relative to nonprofit respondents in a full sample model of public and

nonprofit respondents without interaction terms for administrative constraints and sector.

However, when interaction terms for administrative constraints and sector are introduced into the model, sector is no longer significant. For job satisfaction, in both full sample models, with and without the administrative constraints and sector interaction terms, the results provide evidence that public sector respondents have a higher probability of providing a positive response about job satisfaction relative to nonprofit respondents. These results provide evidence of sector distinctions between public and nonprofit respondents in terms of perceived incentives to work hard and job satisfaction.

Observed as a moderator, sector is observed as a defining and distinctive characteristic of red tape and inflexibility of personnel rules. In Chapter 5, I present a series of hypotheses which posit the distinctive nature of red tape and inflexibility of personnel rules because of sector affects the strength of the relationship between the administrative constraint variables—red tape and inflexibility of personnel rules—and the outcome variable. To evaluate whether sector affects the magnitude of the relationship between administrative constraint variables and the outcome variables, interaction terms for administrative constraint variables and sector are employed in a full sample model of public and nonprofit respondents. Whereas the sector specific models for public and nonprofit respondents tell us whether evidence supports a relationship between administrative constraint variables and outcome variables in each sector, it does not tell us whether the magnitude of the relationship between administrative constraint variables and outcomes differ between sectors. However, interaction terms for administrative constraints and sector in a full sample model of public and nonprofit respondents give the opportunity to explore the potential of sector to serve as a moderator between administrative constraints and incentives to work hard, job satisfaction, and absenteeism.

The evidence presented in this analysis did not support the hypotheses presented in Chapter 5 that sector moderates the relationship between administrative constraint variables and incentives to work hard (Chapter 7) or absenteeism (Chapter 9). However, there is mixed support for hypotheses in Chapter 5 for job satisfaction found in Chapter 8. The results of a linear probability model in Chapter 8 provide evidence of a significant and negative relationship between an interaction term for public sector and inflexibility of personnel rules with job satisfaction; however, the interaction term for public and red tape is insignificant in the same model.

Throughout the analyses presented in this dissertation, only one hypothesis for the sector distinctiveness of administrative constraints being of importance in the relationship between administrative constraints and the outcomes of interest is supported—the sector moderating the relationship between inflexibility of personnel rules and job satisfaction. The significant interaction term for inflexibility of personnel rules and sector (public) provides evidence that the strength of the relationship between inflexibility of personnel rules and job satisfaction is significantly different between sectors. This finding echoes what is found in the sector specific models for job satisfaction, where inflexibility of personnel rules is insignificant in the nonprofit sector model but significant in the public sector model. Thus, the a significant relationship between the interaction term for inflexibility of personnel rules and sector (public) and job satisfaction provides further evidence that sector matters in the case of the relationship between inflexibility of personnel rules and job satisfaction. The model provides evidence that higher levels of inflexibility of personnel rules in the public sector is negatively associated with the probability of positive to job satisfaction. Therefore, the negative influence of inflexibility of personnel rules on job satisfaction is greater for public managers relative to nonprofit managers.

This finding gives reason to conclude that the inflexibility of personnel rules in the public sector is distinctive from that of inflexibility of rules in the nonprofit sector.

Returning to the original question raised at the beginning of this dissertation—“What difference do the differences make?”—several conclusions can be drawn from the analyses presented. First, Feeney and Rainey (2010) find that perceptions of red tape and inflexibility of personnel rules are different for public and nonprofit respondents. In this dissertation, these identified differences—red tape and inflexibility of personnel rules—are found to make a difference more consistently for public managers relative to nonprofit managers. For public respondents, greater administrative constraints—both red tape and inflexibility of personnel rules—are associated with a lower likelihood of perceiving incentives to work hard and reporting positive views of job satisfaction; however, these items are not as consistently associated with the outcomes of interest for nonprofit respondents. For nonprofit respondents, inflexibility of personnel rules is negative and significantly associated with incentives to work hard while red tape is insignificant in the same model. The reverse is presented in the nonprofit sector job satisfaction model; red tape is negative and significantly associated with job satisfaction while inflexibility of personnel rules is insignificant. This evidence suggests a difference in the role of red tape and inflexibility of personnel rules in the public and nonprofit sectors. The evidence presented here supports the conclusion that public respondents consistently view administrative constraints to be a burdensome and difficult component of their work environment compared to the nonprofit respondents. Therefore, the evidence in this dissertation makes a case for sector distinction between the public and nonprofit sectors in relation to the impact of administrative constraints upon perceived incentives to work hard and job satisfaction.

These findings have implications for management practices and reforms focused on reducing administrative constraints in order to seek greater productivity by influencing the motivation and behavior of employees. As described above, more consistent evidence of negative associations between the administrative constraint variables and two outcome variables—incentives to work hard and job satisfaction—are found for public sector respondents compared to results for the nonprofit sector. Because more consistent evidence exists for public sector respondents, a greater confidence can be placed in the ability of reforms aimed at reducing administrative constraints to affect perceived incentives to work hard and job satisfaction in the public sector relative to the impact of similar reforms in the nonprofit sector.

Looking at the findings holistically, the conclusions presented thus far support that administrative constraints play a more important role in the public sector relative to the nonprofit sector. Whereas hypotheses positing a negative association between administrative constraint variables and two outcome variables—incentives to work hard and job satisfaction—are only partially supported for nonprofit sector respondents, the hypotheses are fully supported for public sector respondents. Because there is partial support in the nonprofit sector, there are two cases where the conclusion of sector distinction may be called in to question. First, red tape is negative and significantly associated with job satisfaction for both public and nonprofit sector respondents. Likewise, inflexibility of personnel rules is negative and significantly associated with incentives to work hard for both public and nonprofit sector respondents. In these specific instances, evidence of sector distinction can be evaluated by observing whether sector serves as a moderator between the administrative constraint variables and outcomes by using interaction terms. Evidence presented in Chapter 7 and Chapter 8 for these cases does not provide evidence of sector distinction in terms of sector serving as a moderator in these two specific cases—(1) red

tape being associated with job satisfaction, and (2) inflexibility of personnel rules being associated with perceived incentives to work hard. In other words, red tape in the public sector is not viewed in a different light than red tape in the nonprofit sector in how it relates to job satisfaction. The burdensome, problematic nature of red tape resonates similarly for respondents despite being in either the public or the nonprofit sector. The same assumption goes for inflexibility of personnel rules, as well, in relation to incentives to work hard. The analyses also do not provide support for one sector having a greater potential to cope with administrative constraints relative to the other. However, focusing on these individual cases does not allow one to see the value of the big picture. Focusing on the big picture, evidence presented in this dissertation supports the conclusion of sector distinction between the public and nonprofit sectors. Even with these two cases presenting support for commonalities between the public and nonprofit sectors, a focus on the forest rather than the trees provides support for sector distinction.

Also taking a look at the big picture and examining the relationships between the inflexibility of personnel rules with all three outcome variables in the sector specific models, evidence of sector distinction is only supported in relation to job satisfaction. In the case of job satisfaction, inflexibility of personnel rules is negative and significantly associated with job satisfaction for public sector respondents but insignificant for nonprofit sector respondents. No difference in significance is found for inflexibility of personnel rules between public and nonprofit sector respondents in relation to incentives to work hard and absenteeism. In the case of incentives to work hard, inflexibility of personnel rules is negative and significant for both public and nonprofit respondents. Likewise, inflexibility of personnel rules is insignificant for both public and nonprofit respondents in the case of absenteeism.

Why might sector distinction be supported in one case but not in the others? One possible reason for the observed difference between models may be explained by what and how respondents in the public and nonprofit sectors are motivated. In Chapter 7, evidence is also presented which supports a difference in significant motivation factors for respondents in the public and nonprofit sectors. While security motivation is positive and significantly associated with incentives to work hard for nonprofit respondents, it is insignificant for public respondents. Similarly, advancement motivation and desire to serve the public are positive and significantly associated with incentives to work hard for public sector respondents, yet are insignificant for nonprofit sector respondents. Therefore, evidence presented in Chapter 7 supports sector distinctions not in terms of the relationship between inflexibility of personnel rules and perceived incentives to work hard, but rather the motives of respondents.

As mentioned above, in regards to absenteeism there is a lack of evidence for a distinction between public and nonprofit sectors. Even with the null findings, an interesting observation can be made. Even though respondents may face the burdensome rules, the respondents are not burden by the rules to the point they would miss working. Therefore, other factors must serve as more meaningful reasons for workers in the public and nonprofit sectors to miss work. Potentially, other characteristics about work (ex. the work itself, relationships at work) are more important than the issues faced at work. Respondents are willing to work under the conditions rather than avoid the conditions by missing work.

Although this dissertation accomplishes the task of exploring “what difference do the differences make” as set out in the first chapter, it is not without its limitations and challenges. First, with the use of survey data, the concern of positive response bias is a relevant concern for this analysis. However, the models utilized in this dissertation are comprised of a series of

control variables which capture distinctive characteristics of the organizations and respondents that are not conditional on the respondent's perception or individual judgement (ex. state, current job manager, current job tenure). In addition to the aforementioned reasons these variables are included in the models (as described in Chapter 6), these variables also help address the concern of positive response bias by serving as variables in which bias is removed. Another challenge faced by the use of this data is the concern that findings are influenced by the potential homogeneous nature of the organizations. This concern was addressed by Feeney and Rainey (2010) by comparing the means of personnel flexibility items of the respondents in the sample based on the respondent's sector affiliation and function of the organization which the respondent is affiliated. The authors provide support that organizational function did not influence the results of their analysis. Because the same data set is utilized in this dissertation, the evidence and findings related to the concern over organizational function are extended to this dissertation.

As previously mentioned, this dissertation accomplished the task set out at the onset; however, there are limitations to this study. Although limitations in one sense, they can also be seen as opportunities for future research. One limitation creating opportunities for future research is the data set contains responses from state level public managers from two states, Georgia and Illinois. Questions may be raised as to whether the findings in this study can be applied to managers working for the federal government or under other civil service systems because of potential differences in work environments, organizational missions, and clientele. This limitation creates the opportunity to conduct similar analyses under different civil service systems to see if the findings of this analysis hold. Additionally, the analyses presented here only observe three outcome variables of interest—incentives to work hard, job satisfaction, and

absenteeism. Other outcomes such as organizational commitment and job involvement are also types of work related attitudes (Rainey, 2009). Replicating this study to include additional outcome variables would continue the quest of exploring sector distinctions.

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